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Library

Government and Administration

Northern Ireland 3
Parliamentary Developments 6
Recent Legislation 7

External Affairs and Defence

European Community 8
North Atlantic Treaty Organisation 13
Arab-Israel Relations 16
Saudi Arabia: Chancellor's Visit 18
Shorter Notes 19

Economic and Scientific Affairs

World Food Conference 21
Government and Industry 23
Industrial Relations 27
Environmental Pollution 30

Social and Cultural Affairs

Population Census in 1976 33
Social Trends 33
Developments in the Arts 34
British Council 36
Commonwealth Medical Conference 38

Documentation 40

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GOVERNMENT AND ADMINISTRATION

Northern Ireland

Recent events concerning Northern Ireland include a debate in the House of Commons on Government policy in Northern Ireland (*Hansard*, 5.12.74, cols 1951-2070); a House of Commons debate on the reintroduction of the death penalty for terrorism (*Hansard*, 11.12.74, cols 518-636); the announcement of the payment of compensation in respect of deaths at Londonderry in January 1972; the House of Commons approval of orders for the extension of existing emergency powers (*Hansard*, 5.12.74, cols 2071-102); the IRA Christmas truce; and a statement by the Secretary of State for Northern Ireland (*Hansard*, 14.1.75, cols 201-10) on the Government's aim in the case of a permanent ceasefire in Northern Ireland.

BACKGROUND TO GOVERNMENT POLICY

Four key factors which had to be taken into account by the United Kingdom Government in shaping its policy in Northern Ireland were outlined by the Secretary of State, Mr Merlyn Rees, during the adjournment debate in the House of Commons on 5 December 1974 as being:

1 The fact that in the present situation in Northern Ireland, without the army, there would be civil war. The only hope of avoiding a catastrophe – brought about by terrorist acts – was to retain an army capacity to prevent a bloody confrontation between the two communities. At the same time it was right if possible to make a reduction in the army and this had been done. Army strength had been reduced from 16 to 13 battalions during the year.

2 The existence of a split society in Northern Ireland. The two communities, Protestant and Roman Catholic, had developed as they had because of different religions, different origins, different social customs and different histories. Northern Ireland was in this respect unlike England, Scotland or Wales. Any form of government for the Province had to take into account the split community there.

3 The fact that Northern Ireland was governed directly from Westminster because there was at present no alternative form of stable government in the Province to which power could be devolved.

4 The fact that the Government did not intend – nor would be able, even if it wished – to drive Northern Ireland into the Irish Republic, and that the Republic would not want that to happen.

'Against this background,' said Mr Rees, 'we must, on security, try to reduce violence from wherever it may come, and, in politics, to seek, through a Convention elected by the people of Northern Ireland, a degree of participation between the communities which can lead to a stable and effective government. Above all, our policy must be a policy for Northern Ireland – a policy, whether on security or politics, which involves all the people there.'

Security

Mr Rees said that, in facing the acts of violence in Northern Ireland, it was important to keep them in perspective. Detailed security statistics which had been published on 4 December showed a significant overall reduction in the level of violence. There had been 115 bomb incidents a month in 1972; these had fallen to 81 a month in 1973, and 57 a month in 1974. Shooting incidents had fallen from over 10,000 in 1972 to 3,052 up to 30 November 1974.

To a substantial extent, Mr Rees told the House, this reduced level of violence was due to the tight security in town centres, vehicle checkpoints, control over explosives and other measures taken by the security forces who were achieving 'remarkable successes'. By 30 November 1974, some 11 tons of explosives had been seized and 153 people charged with offences in connection with explosives. During the same period 1,291 people had been charged with other terrorist offences.

Detention

On the subject of detention, Mr Rees stressed the fact that detainees were held not for their political views, but for their involvement in violence, and that in considering the matter as between members of the two sides of the community the proper comparison should be between the number of Catholics who had been made the subject of interim custody orders (see pp 466, 1972 and 200, 1973) and the number of Protestants going through the courts. If the police could get into the Catholic areas, this would change – it was not the wish of the British people that the army should continue indefinitely in Northern Ireland to fulfil a role that was properly that of the police. A planned, orderly and progressive reduction in the army presence could and would follow if the extremist organisations ended their present campaign of violence. This would transform the whole position and would also make it possible

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to consider further changes in the custodial system.

Devolution of Government

In regard to the political aspect of the Northern Ireland situation, Mr Rees, after expressing his support for the endeavours of the Conservative Government to find a way in which devolved government could take place on the basis of consent as manifested in the Constitution Act 1973 (see p 231, 1973), said that the present Government also wanted to see devolved government in Northern Ireland. They could not agree to it, however, until they were satisfied that there existed both a workable system and a willingness by political parties in Northern Ireland to make it work. It was for this reason – to find a system which commanded support and respect throughout all parts of the community that would contain within itself the seeds of future stability – that the Convention (see p 247, 1974) was being set up; and it was to provide a background for informed discussion that two discussion papers had already been published (see pp 248 and 455, 1974) and that a third, which would set out a wide range of methods by which devolved government could achieve effective genuine participation and protection of human rights in societies which have split communities, was to be published early in 1975. 'The Convention', declared Mr Rees, 'provides the opportunity for progress. The Government are pursuing a steady and consistent policy of giving the people of Northern Ireland a chance of showing, through the Convention, that they can work together responsibly to devise institutions of government which are fair to all.'

DEBATE ON THE DEATH PENALTY

A proposal to reintroduce the death penalty for terrorists, which was debated in the House of Commons on 11 December 1974, was defeated in a free vote by a majority of 152 (Ayes 217, Noes 369). The majority view was summed up at the close of the debate by the Home Secretary, Mr Roy Jenkins, who, after stressing the deterrent effect of 'long undramatic prison sentences' and stating that, in his view, there could be no prospect of amnesties for those who had committed 'cold-blooded and indiscriminate murder or maiming in this country', whatever political settlements there might be, said: 'Nothing that we can do will guarantee us complete safety. Whatever course we take, it is likely there will be further outrages. I believe, however, that the risks to our people, the risks to our police and security services and the prospect of an almost inevitable escalation of violence would be greater if we took this step tonight. What is more, the chances of a political settlement would be less.'

COMPENSATION FOR DEATHS AT LONDONDERRY

A statement in connection with the payment of compensation in respect of 13 deaths at Londonderry on 30 January 1972 (see p 51, 1972) was issued by the Ministry of Defence on 19 December 1974. The statement, after briefly summarising the events that led up to the deaths, and the conclusions of Lord Widgery's report (see p 183, 1972), gave it as the Government's view that the army and the Ministry of Defence were 'under no legal liability in respect of the deaths of the 13 deceased, because the troops acted lawfully in self-defence and in order to protect their comrades when they opened fire on the gunmen and bombers who attacked them'. However, having regard to the finding of Lord Widgery that none of the deceased was proved to have been shot while handling a firearm or bomb, the Government had agreed, 'in a spirit of good will and conciliation', to pay compensation on an *ex gratia* basis to relatives of each of the deceased, depending on the circumstances.

ORDERS IN COUNCIL

Emergency Powers

The Northern Ireland (Various Emergency Provisions) (Continuance) Order 1974, which provides for the renewal of the provisions of the Northern Ireland (Emergency Provisions) Act 1973 (see pp 200 and 303, 1973) and of the Northern Ireland (Young Persons) Act 1974 (see p 304, 1974) for a further period of six months, was debated and approved by the House of Commons on 5 December 1974.

During the debate the Secretary of State for Northern Ireland, Mr Merlyn Rees, told the House that it was his duty, so long as violence in Northern Ireland continued, to use the powers under the Emergency Provisions Act until he had reviewed them in the light of the Gardiner Report (see p 107 1974) which he expected to receive in the near future. If violence were to cease, Mr Rees assured the House, he would take immediate steps to bring detention to an end. Since July, when he had announced the programme of executive releases (see p 417, 1974), he had released 71 detainees and the Commissioners had released a further 99. During the same period he had made 87 interim custody orders.

In regard to the Northern Ireland (Young Persons) Act, Mr Rees said that it had been used very sparingly. Between 1 August, when it had come into operation, and 30 November only eight young persons had been held in prison pending trial, under his direction, and there had been no escapes.

Mr Rees also told the House that he had made two other orders which were to come into effect immediately: the Prevention of Terrorism (Temporary Provisions) (Adaptation) Order, and the Prevention of Terrorism (Supplemental Temporary Provisions) (Northern Ireland) Order. The effect of these orders was to establish in Northern Ireland the same powers to control entry into and departure from the Province as had been established to control entry into and departure from Great Britain by the Prevention of Terrorism (Temporary Provisions) Act 1974 (see p 457, 1974). They also gave the Secretary of State for Northern Ireland similar powers to those which the Home Secretary could exercise (see p 456, 1974) to exclude from that part of the United Kingdom any person who had been concerned in terrorism.

IRA TRUCE

The announcement by the Provisional IRA of a unilateral temporary suspension of offensive military

action beginning on 22 December was the subject of a statement issued by the Secretary of State for Northern Ireland on 20 December. In his statement the Secretary of State said that he had been informed of the IRA's announcement by a group of churchmen who had come to see him in London on 18 December at their request, and that he had told them that if there were to be a genuine cessation of violence there would be a new situation to which the United Kingdom Government would naturally respond. In the meantime the actions of the security forces would be related to the level of any activity which might occur and no specific undertakings would be given.

Releases

The granting of Christmas parole between 24 and 30 December to a total of 163 convicted prisoners, 79 of whom were special category prisoners, was announced by the Secretary of State on 24 December 1974. In addition, 20 special category prisoners and 51 other prisoners, who were first offenders whose normal date of release would have been within the forthcoming few weeks, were to be given remission of sentence. Thirty-one detainees were to be allowed three days' Christmas parole and the Secretary of State had also ordered the release of three detainees on compassionate grounds.

On 31 December 1974 it was further announced that a number of people (likely to exceed 100) whose sentences were due to expire on or before 31 March 1975 were also to be given remission of sentence under the Royal Prerogative of Mercy. The Secretary of State had also directed the release of 20 detainees and had offered three days' New Year parole to 50 others.

Irish Republican Movement Statement

On 2 January the Irish Republican Publicity Bureau issued a statement to the effect that the leadership of the Republican Movement considered that the response of the British Government and forces to the cessation of hostilities [since 22 December 1974] had not been sufficent to warrant a permanent ceasefire. However, for worthwhile progress to be made and to provide positive results towards a lasting solution, the Army Council of the IRA had ordered an extension of the truce for 14 days. If substantial progress had not been made by 16 January the situation would be examined with a view to resuming offensive military action.

STATEMENT BY SECRETARY OF STATE FOR NORTHERN IRELAND

In a statement in the House of Commons on 14 January the Secretary of State for Northern Ireland, Mr Merlyn Rees, declared that it was the Government's aim to reduce the army to its peacetime level and to bring detention to an end, should there be a genuine and sustained cessation of violence in Northern Ireland.

Reduction of the Army

Mr Rees told the House that, while the security forces were still on their guard and vehicle checks and the watch on the border continued, the people of Northern Ireland had seen and welcomed the 'real, but cautious steps' he had been able to take in response to the ceasefire. The army, he said, had been able to reduce the size and frequency of patrols, particularly in urban areas, and had also largely avoided the questioning of people and the searching of their homes. There had been no major incidents and he had not signed any interim custody orders since 22 December 1974.

Mr Rees went on to say that as soon as he was convinced that any relaxation and reduction of army activity would not have to be paid for in lives lost and property destroyed there could be a further reduction in patrols, searches of homes and questioning of people. In addition, searching of pedestrians entering enclosed areas of town centres could be ended gradually; a start could be made towards the removal of road obstructions; searching of vehicles could be reduced; restrictions on leaving vehicles unattended could be relaxed; and some army units on emergency tours could be withdrawn.

In the later stages, said Mr Rees, the army would no longer undertake foot or vehicle patrols in towns. But, he reminded the House, such reductions in the army and in its commitments could not be allowed to create a vacuum. As the army gradually reduced and withdrew to barracks, the community would require that law and order should be maintained by policing throughout Northern Ireland.

Release of Detainees

On the question of detention, Mr Rees declared that the Government had acted legitimately and consistently with the terms of the European Convention for the Protection of Human Rights and Fundamental Freedoms, and that only the Government could decide, in the light of the situation as a whole, when to start bringing it to an end. He did not, he said, intend to act precipitately, but if violence, including sectarian assassinations, were renounced he would release detainees (to whatever group or movement they belonged) on a progressive basis and, once he was satisfied that violence had come to a permanent end, would speed up the process with a view to releasing all those in detention. In the meantime, he would be ready to grant short home leaves to people who remained in detention and would also consider how released detainees could be resettled. He was not, however, prepared, at this stage, to give any undertakings about the rate and timing of releases.

Discussions and Negotiations

After repeating his previous assurances that the Constitutional Convention (see p 247, 1974) would be entirely a 'forum for the people of Northern Ireland', Mr Rees said that, in the meantime, he would continue to welcome constructive discussion with members of the prorogued Assembly (see p 199, 1974). In addition, he told the House, his officials had been, and were, available to hear the views of those in Northern Ireland who had something to contribute to the solution of its problems. Discussions had already taken place with a wide range of citizens from both communities, including, from the majority community, individuals who were associated with organisations such as the Ulster Defence Association, the Ulster Volunteer Force, and the Volunteer Political Party. He would like to make it clear, he said,

that the same opportunities existed for the Provisional and Official Sinn Fein, who had been removed from the proscribed organisations list (see p 107, 1974) and were free to take part in genuine political activity within the law.

In answer to a question from Mr Heath, Leader of the Opposition, the Secretary of State said that he agreed with the objections to negotiations with the IRA. But he wanted to make sure that the United Kingdom Government's view 'got through' to the IRA, and similarly that the IRA's view 'got through' to the Government.

House of Commons Support

The Secretary of State's statement was welcomed by Members from virtually all parts of the House, including the representatives of the United Ulster Unionists, whose leader, Mr James Molyneaux, commented on the 'skilful manner' in which the Secretary of State had, to date, handled a very delicate situation and said that this had inspired confidence and trust throughout the whole Northern Ireland community. For the Social Democratic and Labour Party, Mr Fitt said that, although he fully supported the steps taken by the Secretary of State to bring about a permanent ceasefire, he wished to appeal to him to look again at the matter of detention urgently and to bring about as many releases as he could as the 'one sure and effective way of making sure that the IRA has no support in the community in the future'.

As this issue was going to press it was announced on behalf of the Provisional IRA that they would not be renewing the ceasefire after it expired at midnight on 16 January. This and subsequent developments will be treated in a future issue.

Parliamentary Developments

Recent parliamentary announcements by the Lord President of the Council and Leader of the House of Commons, Mr Edward Short (*Hansard*, 19.12.74, cols 1821-30), include the establishment of a review of the salaries and allowances of Members of Parliament; Government proposals for financial help to opposition parties in the House of Commons and the House of Lords; and the setting up of two select committees, one to consider the provision of facilities for 'backbench' members of the House of Commons and the other to examine whether public funds should be made available to political parties for their work outside Parliament. A House of Commons select committee has recommended that Members of Parliament should be required to register financial and other material interests which might in any way influence their conduct as members.[1]

Members' Remuneration

The Government has invited the Top Salaries Review Body to review the salaries and allowances of members of the House of Commons and the expenses allowance of members of the House of Lords.

The last full review, undertaken in 1971, resulted in increases in the remuneration of members of the House of Commons from the beginning of 1972 (see pp 3-5, 1972). Apart from the updating of some of the rates of allowances in 1974 (see p 337, 1974), the parliamentary salary has remained unchanged for three years. By October 1974 the retail prices index had risen by 36·5 per cent since January 1972 while members' salaries have remained static at £4,500.

The terms of reference of the review are being drawn so as to cover all aspects of parliamentary remuneration, allowances and pensions. The Government is asking the review body particularly to consider a mechanism whereby members' remuneration can be regularly reviewed in future so that parliamentarians do not suffer greater hardship from inflation than the rest of the community.

The matter of the expenses allowance for members of the House of Lords is also being referred to the review body because the present system of a single rate of allowance is considered unsatisfactory in that it does not meet the varying circumstances of peers attending Parliament. Some travel from distant parts of the country, while for others the House is comparatively nearby.

Help for Parties and Backbench Members

In recommending financial assistance for opposition parties in Parliament, the Government is proposing that payment would take into account both seats in the elected House of Commons and votes at the last general election – votes because there is a correlation between votes won and the volume of correspondence to be dealt with in the offices of opposition parties.

Assistance would be limited to parties which had at least either two members elected at the previous general election or one member elected and a minimum of 150,000 votes cast for it. The formula proposed – £500 for every seat and £1 for every 200 votes – would achieve the following results (in the case of the main opposition party an upper limit would apply, based on the costing of an adequate parliamentary office, including research facilities for the Leader of the Opposition): Conservative Party, £150,000 (the maximum permitted); Liberal Party, £33,250; Scottish National Party, £9,700; United Ulster Unionists, £7,050; Plaid Cymru (Welsh Nationalists), £2,300; and Social Democratic and Labour Party (Northern Ireland), £1,270. The parties would be accountable for expenditure to the accounting officer of the House of Commons. The allocation of funds between the House of Commons and the House of Lords would be a matter for the parties themselves to decide.

A select committee on assistance to private members of the House of Commons is to examine the present support facilities available, in particular research assistance on matters before Parliament, and to make recommendations for any improvements it considers necessary.

A second committee is to consider whether, in the interests of democracy, provision should be made from public funds to help political parties in carrying out their functions outside Parliament. The com-

1 *Report from the Select Committee on Members' Interests (Declaration)*. HMSO, £1·45, ISBN 0 10 021025 2.

mittee will examine the practice in other parliamentary democracies, and will suggest proposals as to the scope of political activites to which any such provision should relate and the method of its allocation.

Register of Members' Interests

The House of Commons select committee on the declaration of members' interests was set up after the House had voted in May 1974 for a public register of interests (see pp 202-3, 1974). In its report it defines the purpose of the register not as indicating a member's wealth but as providing information of any pecuniary interest or other material benefit which a Member of Parliament may receive which may be thought to affect his conduct as a member or influence his actions, speeches or vote in Parliament.

Nine specific classes of interest should be disclosed, the committee proposes:

1 Remunerated directorships of companies, public or private;

2 Remunerated employment or offices;

3 Remunerated trades, professions or vocations;

4 The names of clients where a member's personal services are related to his membership of the House of Commons (this proposal would include, for instance, public relations work, solicitors' work and accountancy);

5 Financial sponsorships: (a) as a parliamentary candidate where to the knowledge of the member the sponsorship exceeds a quarter of the candidate's election expenses; or (b) as a Member of Parliament, by any person or organisation, stating whether any such sponsorship includes payment to the member or any material benefit or advantage;

6 Overseas visits relating to membership of the House of Commons, where the cost has not been met wholly by the member or by public funds;

7 Payments or benefits received from overseas governments, organisations or individuals;

8 Land and property of substantial value or from which a substantial income is derived; and

9 The names of companies or other bodies in which the member has, to his knowledge, either himself or with or on behalf of his spouse or infant children, a beneficial interest in shareholdings of a nominal value greater than 1 per cent of the issued share capital.

The committee recognises that its guidelines will not cover every case and that no guarantee can be provided against evasion. In the end, it states, responsibility must rest on the member himself to disclose those interests that might affect his parliamentary actions. The register would be published and made available for public inspection, and there would be arrangements for any member of the public to lay a complaint. Penalties for refusing to register interests or making false returns would be those available already for contempt of the House of Commons, including suspension or expulsion.

The committee emphasises that the registration of interests would not absolve a member from his existing duty to declare his interests when taking part in parliamentary affairs. It proposes a system for marking questions and motions on the House of Commons order paper to indicate outside interests.

The question of the registration of parliamentary candidates' interests should, in the committee's view, be referred to the next Speaker's Conference on Electoral Law.

Recent Legislation

The following is an alphabetical list of Public Acts passed during the last quarter of 1974. No Private Members' Bills received the Royal Assent during this period. The dates given for the second reading refer to the House of Commons *Hansard*.

Consolidated Fund (No. 4) Act 1974. Authorises the Treasury to make a sum available to the public service. Second reading: 4.12.74, col 1699. Royal Assent: 12.12.74. Ch 57, ISBN 0 10 545774 4, 4p.

National Theatre Act 1974. Removes the limits imposed by the National Theatre Act 1949 on the contributions which may be made by the Government towards the cost of building and equipping a national theatre. Second reading: 7.11.74, col 1321. Royal Assent: 28.11.74. Ch 55, ISBN 0 10 545574 1 4p.

Pensioners' Payments Act 1974 (see p 444, 1974). Second reading: 6.11.74, col 1089. Royal Assent: 14.11.74. Ch 54, ISBN 0 10 545474 5, 14p.

Prevention of Terrorism (Temporary Provisions) Act 1974 (see p 456, 1974). Second reading: 28.11.74, col 634. Royal Assent: 28.11.74. Ch 56, ISBN 0 10 545674 8, 18p.

Social Security Amendment Act 1974 (see p 444, 1974). Second reading: 6.11.74, col 1111. Royal Assent: 12.12.74. Ch 58, ISBN 0 10 545874 0, 41p.

EXTERNAL AFFAIRS AND DEFENCE

European Community

The second year of Britain's membership of the European Community ended with some advance in Britain's renegotiation of its membership terms, the establishment of a wide measure of agreement in the Community on the world economic situation, and progress in the Community's regional and energy policies.

During wide-ranging discussions held on 9–10 December in Paris by Community heads of Government, meeting in what the British and French heads of Government have termed 'the European Council', it was agreed that some mechanism should be established to avoid the occurrence of unacceptable situations with regard to member states' contributions to the Community budget. The Prime Minister, Mr Wilson, spoke of the achievement of 'substantial progress' with regard to this renegotiation objective, but stressed that satisfaction on a number of other matters would be expected.

Among the heads of Governments' other decisions was an agreement to establish a £540 million, three-year regional development fund. Later, Community energy ministers agreed on broad targets for the Community's consumption and production of energy aimed at reducing its dependence on external sources of supply. These developments are examined in greater detail below.

MEETING OF HEADS OF GOVERNMENT

The heads of Government of the member states of the European Community met in Paris on 9 and 10 December to discuss various problems confronting Europe.

The discussions, covering world economic problems, energy, regional policy, Britain's renegotiation of the terms of its membership of the Community, institutional questions and European integration, were held in what the British Prime Minister, Mr Wilson, called 'in effect the first European Council'. He was referring to an agreement by the heads of Government that they should meet at least three times annually in the Council of Ministers and in the context of political co-operation.

In a statement to the House of Commons (*Hansard*, 16.12.74, cols 1121-39) Mr Wilson said that 'substantial progress' had been made with regard to the British renegotiation objective of securing changes in member states' contributions to the Community budget, but he added that 'there is still a long way to go'.

Much of the discussion at the meeting – the communiqué issued at its close is reproduced on pp 9-12 – was concerned with the world economy and the policies to be followed to combat the threat of general recession intensified by increased energy prices and balance of payments deficits. The heads of Government affirmed that their aim was to combat inflation but maintain employment without recourse to protectionist measures. In his statement, Mr Wilson welcomed the reflationary measures taken by the Federal Republic of Germany as a country with a balance of payments surplus.

On energy, the heads of Government sought a consensus between the Community and the United States, particularly with regard to closer oil consumer-producer relations. Later, progress was made towards this at the meeting of President Giscard d'Estaing and President Ford on 14-16 December in Martinique. There the two presidents agreed that the Community and the United States should strengthen their co-operation in energy conservation and in the development of existing and alternative energy sources, and their financial solidarity prior to the eventual convening of a conference between oil-exporting and oil-importing countries 'at the earliest possible date'.

With regard to renegotiation, substantial progress was made at the summit on the question of Britain's contribution to the Community budget, and Mr Wilson said in his statement that a solution to this problem should be achieved by the early spring.

While confirming the importance for the Community's economic integration of the 'own resources' system of financing its budget, the heads of Government called for the establishment of a 'correcting mechanism' to prevent the possible development of 'situations unacceptable for a member state and incompatible with the smooth working of the Community'. The Council and the Commission are to examine ways of implementing this.

Mr Wilson told the House of Commons that in the years immediately ahead there would be a net loss incurred by Britain's membership of the Community. But he added that in the 1980s – if renegotiation succeeded – the development of North Sea oil resources could change the situation so that 'we would feel it right that we should make a bigger contribution then, following a smaller contribution in the late 1970s'.

The Prime Minister said that the other members of the Community 'were left in no doubt that while we

were not dissatisfied with the progress made on the budgetary question, there was a substantial number of other matters on which we should expect satisfaction. There is still a long way to go if Britain's essential requirements are to be met, and it is in the best interests both of this country and of Europe that speedy progress be made and the issues decided.'

The heads of Government also reached agreement on the establishment of a regional development fund of 1,300 million units of account (mua) (about £540 million) for the three years 1975-77. Italy and Britain are to receive the largest shares of the fund, with 40 per cent and a little under 28 per cent respectively. In his Commons statement, the Prime Minister estimated that Britain's net share of the fund might be about £60 million in all, but he added: 'compared with the Government's own national expenditure on the regions – about £500 million a year – the results will naturally be modest'.

He said that he had emphasised to his colleagues the importance of national Governments being able to act speedily to provide national aids for regional employment and development, particularly at a time of anxiety about employment prospects. The other heads of Government fully understood this. Mr Wilson had stressed that such action should neither offend against the Community rules nor amount to competitive bidding for new investment.

Among the agreements reached by the heads of Government relating to institutional matters was a decision to abandon the requirement that all questions should be decided by the Council of Ministers only on the basis of unanimity. Mr Wilson assured the Commons, however, that no country would be required to set important national interests aside as a result of this change in procedure. 'The communiqué makes it plain that each country will continue to be free to maintain our respective positions regarding the Luxembourg compromise of 1966.[1] What the meeting had in mind was the undesirability of having too frequent a recourse to the veto where for example relatively minor matters were involved', he said.

On the question of European Union, the heads of Government agreed that they should agree on an overall concept as soon as possible. They invited the Belgian Prime Minister, Mr Tindermans, to submit a report to them on the subject by the end of 1975. With regard to economic and monetary union (EMU), the Prime Minister said that he did not find anyone in Paris who believed that there was the remotest chance of achieving it by 1980. He said that the Government accepted it as a 'long-term objective'.

Text of Communiqué

The following is the text of the communiqué issued at the end of the meeting of the heads of Government, which has been issued as White Paper.[2]

The Heads of Government of the Nine States of the Community, the Ministers of Foreign Affairs and the President of the Commission, meeting in Paris at the invitation of the French President, examined the various problems confronting Europe. They took note of the reports drawn up by the Ministers of Foreign Affairs and recorded the agreement reached by these Ministers on various points raised in the reports.

Recognising the need for an overall approach to the internal problems involved in achieving European unity and the external problems facing Europe, the Heads of Government consider it essential to ensure progress and overall consistency in the activities of the Communities and in the work on political co-operation.

The Heads of Government have therefore decided to meet, accompanied by the Ministers of Foreign Affairs, three times a year and whenever necessary, in the Council of the Communities and in the context of political co-operation.

The administrative secretariat will be provided for in an appropriate manner with due regard for existing practices and procedures.

In order to ensure consistency in Community activities and continuity of work, the Ministers of Foreign Affairs, meeting in the Council of the Community, will act as initiators and co-ordinators. They may hold political co-operation meetings at the same time.

These arrangements do not in any way affect the rules and procedures laid down in the Treaties or the provisions on political co-operation in the Luxembourg and Copenhagen reports. At the various meetings referred to in the preceding paragraphs the Commission will exercise the power vested in it and play the part assigned to it by the above texts.

With a view to progress towards European unity, the Heads of Government reaffirm their determination gradually to adopt common positions and co-ordinate their diplomatic action in all areas of international affairs which affect the interests of the European Community. The President in office will be the spokesman for the Nine and will set out their views in international diplomacy. He will ensure that the necessary concertation always takes place in good time.

In view of the increasing role of political co-operation in the construction of Europe, the European Assembly must be more closely associated with this work, for example through replies to questions on political co-operation put to the President in office by its members.

The Heads of Government consider it necessary to increase the solidarity of the Nine both by improving Community procedures and by developing new common policies in areas to be decided on and granting the necessary powers to the institutions.

In order to improve the functioning of the Council of the Community, they consider that it is necessary to renounce the practice which consists of making agreement on all questions conditional on the unanimous consent of the Member States, whatever their respective positions may be regarding the conclusions reached in Luxembourg on 28 January, 1966.

Greater latitude will be given to the permanent representatives so that only the most important

[1] The present arrangements for voting result from a formula arrived at at a Council meeting in Luxembourg in January 1966 after a period of disagreement between the French Government and the other members of the Community regarding the system of Council voting and the powers of the Commission.

[2] *Text of the Communique issued by the Heads of Government of the Nine States of the European Community at their meeting in Paris on 9 and 10 December 1974.* Cmnd 5830. HMSO, 12p. ISBN 0 10 158300 1.

political problems need be discussed in the Council. To this end, each Member State will take the measures it considers necessary to strengthen the role of the permanent representatives and involve them in preparing national positions on European Affairs.

Moreover, they agree on the advantage of making use of the provisions of the Treaty of Rome whereby the powers of implementation and management arising out of Community rules may be conferred on the Commission.

Co-operation between the Nine in areas outside the scope of the Treaty will be continued where it has already begun. It should be extended to other areas by bringing together the representatives of the Governments, meeting within the Council whenever possible.

A working party will be set up to study the possibility of establishing a passport union and, in anticipation of this, the introduction of a uniform passport.

If possible, this draft should be submitted to the Governments of the Member States before 31 December, 1976. It will, in particular, provide for stage-by-stage harmonisation of legislation affecting aliens and for the abolition of passport control within the Community.

Another working party will be instructed to study the conditions and the timing under which the citizens of the Nine Member States could be given special rights as members of the Community.

The Heads of Government note that the election of the European Assembly by universal suffrage, one of the objectives laid down in the Treaty, should be achieved as soon as possible. In this connection, they await with interest the proposals of the European Assembly, on which they wish the Council to act in 1976. On this assumption, elections by direct universal suffrage could take place at any time in or after 1978.

Since the European Assembly is composed of representatives of the peoples of the States united within the Community, each people must be represented in an appropriate manner.

The European Assembly will be associated with the achievement of European unity. The Heads of Government will not fail to take into consideration the points of view which, in October 1972, they asked it to express on this subject.

The competence of the European Assembly will be extended, in particular by granting it certain powers in the Communities' legislative process.

Statement by the United Kingdom Delegation

The Prime Minister of the United Kingdom explained that Her Majesty's Government did not wish to prevent the Governments of the other Eight Member States from making progress with the election of the European Assembly by universal suffrage. Her Majesty's Government could not themselves take up a position on the proposal before the process of renegotiation had been completed and the results of renegotiation submitted to the British people.

Statement by the Danish Delegation

The Danish Delegation is unable at this stage to commit itself to introducing elections by universal suffrage in 1978.

The Heads of Government note that the process of transforming the whole complex of relations between the Member States, in accordance with the decision taken in Paris in October 1972, has already started. They are determined to make further progress in this direction.

In this connection, they consider that the time has come for the Nine to agree as soon as possible on an overall concept of European Union. Consequently, in accordance with the requests made by the Paris Meeting of Heads of State or of Government in October 1972, they confirm the importance which they attach to the reports to be made by the Community institutions. They request the European Assembly, the Commission and the Court of Justice to bring the submission of their reports forward to before the end of June 1975. They agreed to invite Mr Tindemans, Prime Minister of the Kingdom of Belgium, to submit a comprehensive report to the Heads of Government before the end of 1975, on the basis of the reports received from the institutions and of consultations which he is to have with the Governments and with a wide range of public opinion in the Community.

Economic and Monetary Union

The Heads of Government having noted that internal and international difficulties have prevented in 1973 and 1974 the accomplishment of expected progress on the road to EMU affirm that in this field their will has not weakened and that their objective has not changed since the Paris Conference.

Convergence of Economic Policies

The Heads of Government discussed the economic situation in the world and in the Community.

They noted that the increase in energy prices is adding to inflationary tendencies and balance of payments deficits and intensifying the threat of general recession. The resulting alterations in the terms of trade are forcing the Member States to redirect their production structures.

The Heads of Government re-affirm that the aim of their economic policy continues to be to combat inflation and maintain employment. The co-operation of both sides of industry will be essential if this policy is to succeed. They emphasise that in the present circumstances high priority must be given to economic revival in conditions of stability, i.e. action aimed both at preventing a general economic recession and restoring stability. This must not involve any recourse to protectionist measures which, by setting up a chain reaction, could jeopardise economic revival.

Member States which have a balance of payments surplus must implement an economic policy of stimulating domestic demand and maintaining a high level of employment, without creating new inflationary conditions. Such an attitude would make it easier for countries which have considerable balance of payments deficits to follow a policy which will ensure a satisfactory level of employment, stabilisation of costs and an improvement in their external trade balance without resorting to protectionist measures.

In the context of the effort to be made by countries having a surplus, the Heads of Government welcome

the economic policy measures already adopted by the Netherlands Government as a step in the right direction. They also note with satisfaction the short-term economic programme which the Government of the Federal Republic of Germany intends to follow, particularly as regards stimulating public and private investment, and the fact that the Belgian Government intends to follow suit. They also express satisfaction at the efforts made by the countries having a balance of payments deficit to maintain their competitive position so as to achieve a more satisfactory balance of payments and to improve the level of employment.

While acknowledging the special situation of each of the Member States of the Community – which makes a uniform policy inappropriate – the Heads of Government stress that it is absolutely necessary to agree on the policies to be adopted. This convergence will be meaningful only if it works towards Community solidarity and is based on effective permanent consultation machinery. The Ministers for Economic Affairs and Finance will be responsible, within the framework of Community procedures, for implementing these guidelines.

It is obvious that all these policies will be really effective only in so far as the world's major industrialised countries succeed in arresting incipient recessionary tendencies.

In this connection, they note with satisfaction the account given by the Chancellor of the Federal Republic of Germany of his talks with the President of the United States.

They desire that, at his forthcoming meeting with President Ford, the President of the French Republic should, on behalf of the Community, stress the importance of convergence between the economic policies of all industrialised countries along the lines indicated above.

They also wish the Community and its Member States to do the same during the forthcoming international consultations and in the appropriate international bodies.

The Community will continue to contribute to the harmonious expansion of world trade, especially in relation to developing countries, and in order to do so will take a constructive part in the GATT trade negotiations which it hopes to see actively continued in the near future.

Regional Policy

The Heads of Government decide that the European Regional Development Fund, designed to correct the principal regional imbalances in the Community resulting notably from agricultural predominance, industrial change and structural under-employment will be put into operation by the institutions of the Community with effect from 1 January, 1975.

The fund will be endowed with 300 million units of account (mua) in 1975, with 500 mua for each of the years 1976 and 1977, i.e. 1,300 mua.

This total sum of 1,300 mua will be financed up to a level of 150 mua by credits not presently utilised from the European Agricultural Guidance and Guarantee Fund (Guidance Section).

The resources of the Fund will be divided along the lines envisaged by the Commission:

	Per cent
Belgium	1·5
Denmark	1·3
France	15
Ireland	6
Italy	40
Luxembourg	0·1
Netherlands	1·7
Federal Republic of Germany	6·4
United Kingdom	28

Ireland will in addition be given another 6 mua which will come from a reduction in the shares of the other Member States with the exception of Italy.

Employment Problems

The effort needed to combat inflation and the risks of recession and unemployment as described above must accord with the imperatives of a progressive and equitable social policy if it is to receive support and co-operation from both sides of industry, both at national and Community level.

In this respect, the Heads of Government emphasise that the Economic and Social Committee can play an important role in associating both sides of industry in the definition of the Community's economic and social aims.

Above all, vigorous and co-ordinated action must be taken at Community level to deal with the problem of employment. This will require the Member States, in conjunction with the organisations concerned, to co-ordinate their employment policies in an appropriate manner and to set priority targets.

When the time is ripe, the Council of the Community will consider, in the light of experience and with due regard to the problem of the regions and categories of workers most affected by employment difficulties, whether and to what extent it will be necessary to increase the resources of the Social Fund.

Being convinced that in this period of economic difficulty special emphasis should be placed on social measures, the Heads of Government re-affirm the importance which they attach to implementation of the measures listed in the Social Action Programme approved by the Council in its resolution of 21 January, 1974.

The Heads of Government make it their objective to harmonise the degree of social security afforded by the various Member States, while maintaining progress but without requiring that the social systems obtaining in all Member States should be identical.

Energy

The Heads of Government discussed the energy problem and in this connection the related major financial problems created for the Community and for the wider world.

They further noted that the Ministers of Energy of the Community countries are due to meet on 17 December.

The Heads of Government, aware of the paramount importance which the energy problem has in world economy, have discussed the possibilities for co-operation between oil exporting and oil importing countries, on which subject they heard a report from the Federal Chancellor.

The Heads of Government attach very great importance to the forthcoming meeting between the President of the United States and the President of the French Republic.

The Heads of Government, referring to the Council resolution of 17 September, 1974, have invited the Community institutions to work out and to implement a common energy policy in the shortest possible time.

Britain's Membership of the Community

The Prime Minister of the United Kingdom indicated the basis on which Her Majesty's Government approached the negotiations regarding Britain's continued membership of the Community, and set out the particular issues to which the Government attached the highest importance.

The Heads of Government recall the statement made during the accession negotiations by the Community to the effect that 'If unacceptable situations were to arise, the very life of the Community would make it imperative for the institutions to find equitable solutions.'

They confirm that the system of 'own resources' represents one of the fundamental elements of the economic integration of the Community.

They invite the institutions of the Community (the Council and the Commission) to set up as soon as possible a correcting mechanism of a general application which, in the framework of the system of 'own resources' and in harmony with its normal functioning, based on objective criteria and taking into consideration in particular the suggestions made to this effect by the British Government, could prevent during the period of convergence of the economies of the Member States, the possible development of situations unacceptable for a Member State and incompatible with the smooth working of the Community.

ENERGY

The European Community has declared its intention to reduce its dependence on imported energy supplies to between 40 and 50 per cent of its total energy requirements by 1985. This would compare with the 1973 proportion of some 63 per cent.

Community ministers meeting in Brussels on 17 December adopted this aim as part of a series of objectives for a Community energy policy, for which the heads of Government of the member states called at their meeting in Paris during the previous week.

The specific objectives of the energy policy, which was formally launched in September (see p 371, 1974), were drawn up in the recognition that under present and foreseeable conditions on the world market a high degree of dependence on imported supplies of energy, especially oil, could 'jeopardise the economic balance of the Community and economic and social progress'.

The Council of Ministers' meeting, where Britain was represented by the Secretary of State for Energy, Mr Eric Varley, recognised that on the basis of present measures taken by the Community's member states, its dependence on imported energy would fall to 50 per cent by 1985, but agreed that this figure should be reduced to 40 per cent if possible. This would be ensured by reducing the rate of growth of energy consumption; changing the pattern of consumption of energy sources; and stabilising or increasing the production of indigenous energy supplies.

It is intended to slow down the growth of energy consumption so that by 1985 total energy use will be 15 per cent lower than was forecast for that year by the Commission in estimates drawn up in January 1973. This would be a global reduction applicable to the Community as a whole: the actual cuts in consumption in member states would depend on particular circumstances in those countries. The savings would be achieved by the more rational and economical use of energy without endangering economic and social growth objectives.

At the same time the pattern of energy consumption is to be altered by placing increasing reliance on electricity generated by nuclear energy. Electricity could then cover some 35 per cent of total energy consumption by 1985.

The ministers also agreed to restrictions on the use of natural gas in power stations, in view of the need to put each form of energy to its optimum use. A similar measure applicable to petroleum products is also being examined.

With regard to the Community's indigenous energy supplies, production is to be maintained or increased according to the following objectives for 1985:

Solid fuels. Coal production is to be maintained at about its present level, and more is to be imported from third countries. Brown coal and peat production is to be raised to about 30 million tons oil equivalent (mtoe).

Natural gas. Production from land and underwater deposits is to be increased if possible to 225 mtoe, with imports of 95 to 115 mtoe.

Nuclear energy. Power stations with an installed capacity of possibly 200 GW (gigawatts – that is, 1,000 megawatts) (compared with 11 GW at present) are to be established.

Hydro-electric and geothermal power. The use of hydro-electric and geothermal energy to be increased by some 30 per cent.

Other energy sources. The improved use of existing forms of energy and their long-term replacement by new sources are to be the subjects of research.

Oil. Community production, principally from the North Sea, should rise to at least 180 million tons a year.

On the assumption that these measures enabled the degree of dependence on imported energy to be reduced to 40 per cent, the percentage contribution of each source to the Community's total primary energy requirements in 1985 (the estimated 1973 percentages are in brackets) would be as follows: oil – 41 per cent (61·4); natural gas – 23 per cent (11·6); solid fuels – 17 per cent (22·6); nuclear energy – 16 per cent (1·4); hydro-electric and geothermal power – 3 per cent (3).

Financial assistance from Community funds for projects in the hydrocarbons sector which assist the achievement of the Community's energy objectives is to be made available to member states. At their meeting, the ministers agreed to a figure of 42·5 million units of account for this purpose.

The Commission is to present more detailed proposals for the implementation of these broad objectives, and it was agreed that the Community's energy ministers should in future meet every two months.

In his address to the Council of Ministers, Mr Varley said that it should be recognised that the main financial and economic effort continued to fall on national governments and 'effective international action in some areas requires co-operation in the wider grouping, including the United States and Japan, which is represented by the International Energy Agency [see pp 434-5, 1974]. We very much hope that the Community will soon be associated with the work of that body.'

Mr Varley also said that he was sure that the rest of the Community understood that Britain's North Sea oil and gas resources must remain under its national control. This has been accepted by other Community countries.

The Secretary of State spoke of Britain's efforts to ensure that the Community had adequate energy supplies on the best possible terms. He referred to Britain's strong coal industry, heavy investment in developing nuclear energy, and capital expenditure on North Sea oil and gas which would produce between 100 and 150 million tons annually by the early 1980s. He also pointed to Britain's 'continuing programme' for energy conservation.

North Atlantic Treaty Organisation

The regular six-monthly ministerial meeting of the North Atlantic Council was held in Brussels on 12 and 13 December 1974. Britain was represented by Mr Callaghan, the Secretary of State for Foreign and Commonwealth Affairs. The Defence Planning Committee had met on 10 and 11 December (see p 14), the Nuclear Planning Group on 10 December (see p 15), and the Eurogroup on the previous day (see p 15). The Secretary of State for Defence, Mr Mason, represented Britain at these meetings.

DETENTE AND SECURITY

The Foreign Ministers of the 15 NATO countries reaffirmed their readiness to seek progress in the current negotiations with Warsaw Pact countries which are designed to improve East-West relations. However, bearing in mind that security is a prerequisite for *détente*, they again stated that NATO defensive military strength must be maintained in the face of the increasing military strength of the Warsaw Pact countries.

The progress of the Conference on Security and Co-operation in Europe (CSCE) and of the negotiations in Vienna on mutual and balanced force reductions (MBFR) was reviewed. In both cases, the ministers reaffirmed their determination to pursue negotiations and hoped for a successful conclusion. The United States Secretary of State, Dr Kissinger, reported on the continuing American efforts towards the further limitation of strategic offensive arms.

The implications of the current economic situation for maintenance of alliance defence were discussed, and it was agreed that consultations should continue on the repercussions of economic developments on areas within the direct sphere of competence of the alliance. Other major topics of discussion included the developments concerning Berlin and Germany in the past six months, the threat to world peace posed by the Middle East situation, and the 'disquieting' instability in the Mediterranean area.

Mr Callaghan summed up the two-day meeting at a news conference on 13 December as having 'a good working atmosphere'. In particular, he mentioned that there had been a useful debate on the implications for defence policy of the present economic difficulties , and profitable discussions on the Vladivostok meetings (see p 471, 1974), the Middle East and Cyprus.

Final Communiqué

The following is the text of the communiqué issued after the ministerial meeting (side headings added).

The North Atlantic Council met in Ministerial Session in Brussels on 12 and 13 December 1974. At the close of the year which marked the twenty-fifth Anniversary of the Alliance, Ministers noted with satisfaction that member countries remain firmly committed to the Alliance and that this had found solemn expression in the Ottawa Declaration.

East-West Relations

2 Ministers reviewed developments in East-West relations. They noted the progress, albeit uneven, towards détente *over the past six months. They stated their readiness to continue their efforts to make progress in their negotiations and exchanges with the Soviet Union and Warsaw Pact countries aimed at steady improvement in East-West relations. Noting, however, the increase in the military strength of the Warsaw Pact countries, and bearing in mind that security is the prerequisite for the policy of* détente, *they expressed their determination to maintain their own defensive military strength.*

The Economic Situation and Defence

3 Ministers had a broad discussion on the implications of the current economic situation for the maintenance of Alliance defence and noted the efforts made at both the national and international levels to overcome the difficulties confronting the economies of the Allied countries. They reaffirmed their determination to seek appropriate solutions in the spirit of co-operation and mutual confidence which characterises their relations. Ministers decided to continue to consult on the repercussions of economic developments on areas within the direct sphere of competence of the Alliance.

European Security

4 Ministers noted that at the Conference on Security and Co-operation in Europe there had been enough progress to show that substantial results were possible. Nonetheless, important questions remain to be resolved. Ministers expressed the undiminished determination of their governments to work patiently and constructively towards balanced and substantial results under all the Agenda

headings of the Conference, so as to bring about a satisfactory conclusion to the Conference as a whole as soon as may be possible.

Mutual and Balanced Force Reductions

5 Ministers of the participating countries reviewed the state of the negotiations in Vienna on Mutual and Balanced Force Reductions. These negotiations have as their general objective to contribute to a more stable relationship and to the strengthening of peace and security in Europe, and their success would advance détente. *These Ministers were resolved to pursue these negotiations with a view to ensuring undiminished security for all parties, at a lower level of forces in Central Europe. They reaffirmed their commitment to the establishment of approximate parity in the form of an agreed common ceiling for the ground force manpower of NATO and the Warsaw Pact in the area of reductions. They considered that a first phase reduction agreement covering United States and Soviet ground forces would be an important and practical first step in this direction. They noted that the negotiations have, so far, not produced results and expressed the hope that a constructive response to the Allied proposals would soon be forthcoming. They reaffirmed the importance they attach to the principle to which they adhere in these negotiations that NATO forces should not be reduced except in the context of a Mutual and Balanced Force Reduction agreement with the East.*

Strategic Arms Limitation

6 Ministers heard a report from the United States Secretary of State on the continuing United States efforts towards the further limitation of strategic offensive arms in the light of President Ford's recent talks with Mr Brezhnev. They noted with satisfaction the significant progress towards limitation of strategic nuclear weapons achieved in Vladivostok. They expressed the hope that this progress will lead to the early conclusion of a satisfactory SALT II agreement. They also expressed appreciation for continuing consultations within the Alliance with respect to the SALT negotiations.

Germany

7 The Ministers reviewed the developments concerning Berlin and Germany which have taken place since their last meeting in June 1974, especially as regards the application of those provisions of the Quadripartite Agreement relating to the Western Sectors of Berlin. They considered, in particular, traffic and ties between the Western Sectors and the Federal Republic of Germany and the representation abroad of the interests of those sectors by the Federal Republic of Germany. They emphasised the importance to the viability and security of the city of all the provisions of the Quadripartite Agreement. The Ministers also emphasised that there is an essential connection between détente *in Europe and the situation relating to Berlin.*

Middle East and Mediterranean

8 Ministers expressed their concern about the situation in the Middle East which could have dangerous consequences for world peace and thus for the security of the members of the Alliance. They reaffirmed the overriding importance they attach to fresh progress towards a just and lasting peace in this area. They likewise welcomed the contributions which Allied governments continue to make to United Nations peace-keeping activities. Ministers noted the Report on the Situation in the Mediterranean prepared by the Permanent Council on their instructions. They found the instability in the area disquieting, warranting special vigilance on the part of the Allies. They invited the Permanent Council to continue consultations on this subject and to report further.

Greek-Turkish Relations

9 As regards Greek-Turkish relations, Ministers heard a report by the Secretary General under the terms of his Watching Brief established by the Ministerial Session of May 1964. They expressed the firm hope that relations between these two Allied countries would rapidly return to normal.

Committee on the Challenges of Modern Society

10 Ministers noted the progress of the work of the Committee on the Challenges of Modern Society, especially on solar and geothermal energy resources as well as on coastal water pollution, improved sewage disposal, urban transport and health care. Ministers also noted the start of projects on the disposal of hazardous wastes and action to follow up completed CCMS studies on the prevention of ocean oil spills, road safety improvement, cleaner air and purer river water, thus enhancing the quality of life for their citizens.

11 The Ministers directed the Council in Permanent Session to consider and decide on the date and place of the Spring session of the Ministerial Meeting of the North Atlantic Council.

DEFENCE PLANNING

The NATO Defence Planning Committee (DPC) met in ministerial session in Brussels on 10 and 11 December. The NATO Secretary-General, Dr Luns, gave the committee an appraisal of the overall situation, and an assessment of the military situation was given by the chairman of the Military Committee, Sir Peter Hill-Norton. In the light of these, the ministers discussed the implications for NATO of the growing strength and modernisation of the Warsaw Pact land and air forces and the capability and global deployment of the Soviet navy. Ministers expressed their 'deep concern' at the scale of the military resources of the Soviet Union and its allies, which already provided them with a military power far in excess of that required for self-defence.

The ministers took note of the status of the current talks between the United States and the Soviet Union on the limitation of strategic armaments, particularly the important developments represented by the Vladivostok agreements (see p 471, 1974). Views were exchanged on the state of negotiations for mutual and balanced force reductions (MBFR), and ministers confirmed their support for the agreed alliance approach to them. Collectively and individually, the ministers reaffirmed the importance they attached to the principle that NATO forces should only be reduced in the context of an MBFR agreement.

A report was made by the chairman of the Eurogroup on the group's ministerial discussions earlier in the week. The announcement of substantial European force improvements planned for 1975 was welcomed and ministers expressed their appreciation of the Eurogroup's work in developing a strong and cohesive European contribution to common defence. They also took note of a further report on the consultation between Belgium, Denmark, the Netherlands and Norway on the replacement programme for the *F-104G* and other aircraft.

The ministers discussed the extent to which national plans for force contributions to alliance defence up to 1979 provided for the implementation of the force goals adopted by them at their June meeting (see p 256, 1974). They took note of the proposed changes in national defence programmes on which alliance consultation was proceeding and, subject to its outcome, they approved the NATO force plan for the period 1975-79 and designated the forces which their countries undertook to commit to NATO over the coming 12 months.

The substantial improvements made to the NATO forces' conventional capabilities during the past year were noted with approval; the ministers also noted the many programmes initiated to improve the quality of NATO forces in anti-armour and low-level air defence, the extra impetus being given to improvements in electronic warfare capabilities, the provision of modern aircraft munitions and the level of war reserve stocks. Plans for improving the survivability and anti-submarine warfare capabilities of the maritime forces were reviewed. Areas of NATO defence where weaknesses seemed likely to persist were identified and ministers agreed to redouble their efforts to correct them.

It was noted with special satisfaction, the communiqué issued after the meeting stated, that the United States intended to form the equivalent of two new brigades in Europe, beginning in 1975 by the reallocation of personnel from supporting functions.

Reviewing the present strategic position of the southern region and the Mediterranean, the defence ministers expressed particular concern at the scale of Soviet military activity in the Mediterranean area and the possible repercussions on the alliance of the unstable situation in the Middle East.

The impact of inflation on defence budgets was discussed, and the need to make the optimum use of resources through co-operative efforts in defence was emphasised. In this connection the ministers received a report on current activities in the rationalisation and specialisation of NATO forces. Reports were received on standardisation in certain areas of military equipment, with particular reference to airborne early warning, electronic warfare, the replacement for the *F-104G* aircraft, the standardisation of rifle ammunition and a new rifle for the 1980s. They especially welcomed the prospect of standardising on two calibres only for all future portable infantry weapons. The ministers agreed to give special attention to the inter-operability and security of communications and a second generation anti-ship missile, and they urged co-ordinated alliance-wide action on both developments.

The level of funding for the next five-year infrastructure programme was agreed, subject to confirmation of the final cost-sharing arrangements and details of the programme by the DPC in permanent session. Finally, the ministers decided that the Ministerial Guidance for defence planning policy direction up to 1982, to be given during 1975, should include a long-range defence concept setting objectives for co-operative efforts within the framework of the NATO strategy of flexible response and forward defence. They instructed that such a planning concept should be provided by the DPC in permanent session, for consideration by defence ministers at their spring 1975 meeting.

NUCLEAR PLANNING

The Nuclear Planning Group (NPG), composed of the Defence Ministers of eight NATO countries,[1] met in Brussels on 10 December. The strategic aspects of NATO's nuclear defence, including the current strategic balance, were considered at the meeting. Various aspects of the Vladivostok agreements (see p 471, 1974) were discussed. The ministers also discussed the recent legislation in the United States calling for an examination of the doctrine for the tactical use of nuclear weapons and of NATO's nuclear posture and its connection with on-going NPG work. They agreed on the continuing importance of such weapons within the NATO strategy of deterrence. Reviewing the activities of the NPG, the ministers reaffirmed their conviction that its work is essential in furthering NATO's strategy of deterrence founded on a spectrum of credible military capabilities designed to contend with aggression on any level.

EUROGROUP MEETING

The defence ministers of the ten members of the Eurogroup countries[2] met at NATO headquarters in Brussels on 9 December. The communiqué issued after the meeting stated that a report to the meeting on trends in European defence and the measures required to improve the security of NATO in Europe was discussed in depth. The adverse effects of inflation and cost escalation on Western defence programmes were noted with concern, particularly in the light of the developing military capability of the Warsaw Pact.

The need for closer co-operation within the Eurogroup, especially in equipment procurement, was stressed. The British Secretary of State for Defence, speaking at the meeting, underlined this point, and made a strong plea for greater 'political will' in the work of the Eurogroup.

The ministers decided to play a more direct role in the activities of the sub-groups on medical services, training, equipment collaboration, battlefield communication and long-term planning, and logistic support, by examining all proposals where more direct ministerial involvement could lead to improved efficiency and co-operation.

The role of European industry in procuring equipment for NATO forces and the need for Europe to maintain a strong and viable defence industry were

[1] Britain, Canada, the Federal Republic of Germany, Greece, Italy, the Netherlands, Norway and the United States.

[2] Belgium, Britain, Denmark, the Federal Republic of Germany, Greece, Italy, Luxembourg, the Netherlands, Norway and Turkey.

discussed. The ministers agreed to improve consultations on their countries' plans for research, development, production and purchase of major weapons systems and projects over the next ten to 15 years.

In a statement after their meeting, the defence ministers announced that the increase in their defence budgets for 1974 totalled $4,500 million (4 per cent in real terms), compared with a planned increase of $2,000 million. It was agreed that this showed that, despite current economic difficulties, the Eurogroup countries were continuing to play their full part in alliance defence.

Arab-Israel Relations

During the last six months the situation in the Middle East has remained tense, though, apart from sporadic *fedayeen* attacks and Israeli raids on guerrilla bases in the Lebanon, there has been no renewal of hostilities. At the same time, however, diplomatic discussions aimed at bringing about further advances towards a peaceful settlement in the area appear to have met with very limited success. Considerable attention has been focused on the place of the Palestinians in a peace settlement, and their role in the negotiating process leading to it, about which there remain massive differences between the parties to the dispute.

Peace Negotiations

United States efforts to promote a peaceful settlement continued throughout the second half of 1974. A visit to five Middle Eastern countries (Egypt, Saudi-Arabia, Syria, Jordan and Israel) in mid-June by the then President, Mr Nixon, which succeeded in strengthening American relations with the Arab states at the same time as reassuring Israel of the United States' continuing commitment to its security, was followed by further visits to these states by Dr Kissinger, the Secretary of State, in mid-October and early November. The main topic for discussion during these visits, and also during visits to the United States in the late summer by King Hussein of Jordan, the Foreign Ministers of Egypt and Syria, and Israel's new Prime Minister, Mr Rabin, was not the early resumption of the Geneva Peace Conference (see p 58, 1974), despite calls for this by the Soviet Union, but the prospects for the conclusion of further disengagement agreements along the lines of those negotiated by Dr Kissinger earlier in the year (see pp 58 and 215, 1974). In particular, attention was focused on the problems facing further disengagement in Sinai and along the Golan Heights, though consideration was also given to the question of a disengagement agreement between Israel and Jordan.

As yet, these discussions have failed to produce any further agreement between Israel and the Arab states, though they did contribute to the renewal of the six-month mandates of the United Nations forces supervising the existing agreements in Sinai and the Golan Heights, and, therefore, by implication, of the disengagement agreements themselves, in October and November respectively. The diplomatic exhanges continue, however, and in early January 1975 the Israeli Foreign Minister, Mr Allon, visited Washington for talks on further disengagement in Sinai, this visit following closely on a previous visit in December. Newspaper reports indicate that Sinai offers the best prospects for agreement because of the size of the territory involved and its limited strategic value to Israel. Prospects for another agreement in the strategically important Golan Heights, where there were fears of renewed fighting in November before the mandate of the UN observer forces was renewed, appear limited, however, while those for an Israel-Jordan agreement have been complicated by the Jordanian recognition of the Palestine Liberation Organisation (PLO) as the sole representative of the Palestinian people (see p 17).

With regard to the nature of a peace settlement, both Israel and the front-line Arab states have continued to express their commitment to UN Security Council resolutions 242 and 338 (see pp 439-46, 1973), though their differing interpretations of what these resolutions demand remain unchanged. The main differences separating them continue to be whether Israel's withdrawal from the occupied territories should be total or only to what would be considered militarily defensible borders, the future status of Jerusalem, and the future of the Palestinians. Of these, the last was the object of most attention towards the end of 1974.

The Palestinian Question

Until the war of October 1973 the place of the Palestinians in a peaceful settlement of the Arab-Israel conflict had been seen mainly in terms of a refugee problem. UN Security Council resolution 242 of November 1967, for instance, which is still the generally accepted basis of a future settlement, contains no mention of the Palestinians or of Palestine, referring only to 'a just settlement of the refugee problem'. Similarly, the peace talks held under the auspices of Dr Jarring between 1967 and 1971 concentrated on the questions of Israeli withdrawal from territories occupied in 1967 and the establishment of secure and recognised borders, though Egypt in its submissions to Dr Jarring stressed that a solution of the refugee problem depended on Israeli respect for the 'rights of the Palestinian people' (see pp 76-7, 1971). In October 1973, however, the 'restoration of the legitimate rights of the Palestinians' was adopted as one of the Arab states' two principal war aims, the other being the liberation of Arab territory occupied in 1967, and after the war the Arab summit conference in Algiers in November (see p 490, 1973) reaffirmed these objectives as the two basic conditions of a just peace. Since then, Arab leaders in their speeches have placed increasing emphasis on the need for a peace settlement to take account of the 'legitimate rights' of the Palestinians, though apart from brief references to the Palestinians' rights of self-determination and return, what these are has not been made explicit.

The Algiers summit conference also adopted a resolution recognising the PLO as 'the sole representative of the Palestinians'. This decision, however, was not accepted by Jordan which, while agreeing that the Palestinians should be able to determine their own future once the occupied territories had been liberated, considered that, until

then, Jordan was the proper custodian of the rights of those Palestinians living within its borders, including those living on the West Bank, and was thus responsible for any negotiations aimed at securing the West Bank's liberation. Throughout 1974 strenuous efforts were made within the Arab world to resolve the conflicting claims of the PLO and Jordan, particularly by Egypt who saw this as one of the key issues in achieving a unified Arab front for any future peace negotiations. Eventually, after prolonged and sometimes acrimonious discussions culminating in negotiations at the Arab summit meeting in Rabat at the end of October, Jordan gave up its claims to represent the Palestinians of the West Bank. At its conclusion, therefore, the summit meeting, which was attended by representatives from all the Arab states, was able to adopt a resolution affirming the right of the Palestinian people to set up an independent national authority under the aegis of the PLO as the sole legitimate representative of the Palestinian people over all the Palestinian territory liberated.

While the leaders of Arab states have refrained from defining what would be involved in the realisation of the 'legitimate rights' of the Palestinians, the PLO, which was created in 1964 in succession to the Arab Higher Committee, holds that they could only be realised by 'the establishment of a multinational and multi-confessional State of Palestine'. In a press conference at the end of the Arab summit meeting, the chairman of the PLO, Mr Yassir Arafat, confirmed that this was still the PLO's official objective.

That a peace settlement should take account of the 'legitimate rights of the Palestinians' has also received increasing acceptance from countries outside the Arab world, and not only from those, such as the Soviet Union and most African countries, normally more sympathetic to the Arab than to the Israeli position. The countries of the European Community declared this to be their view in their declaration on the Middle East situation in November 1973 (see p 491, 1973), and in March 1974 the British Foreign Secretary, Mr James Callaghan, stated that there would be no permanent peace in the region unless a settlement provided for a 'personality' for the Palestinians (see p 110, 1974). A similar opinion was expressed by President Nixon during his visit to the area in June. Finally, in a resolution adopted on 22 November, at the end of a debate on the Palestine question, the UN General Assembly recognised that the Palestinian people were 'a principal party in the establishment of a just and durable peace'; reaffirmed their 'inalienable rights' in Palestine, including the right to self-determination without external interference and the right to national independence and sovereignty; and emphasised that full respect for the realisation of these rights was indispensable for the solution of the Palestine question. The resolution, which was adopted by 89 votes to 8 with 37 abstentions (including Britain), also recognised the right of the Palestinians to regain their rights by all means in accordance with the purposes and principles of the UN charter, and appealed to all states and international organisations to assist them in their struggle to restore their rights. In another resolution adopted on the same day by 95 votes to 17 (including Britain – see p 18) with 19 abstentions, the General Assembly invited the PLO to participate as an observer in the work of the Assembly and all international conferences held under its auspices.

The debate on the Palestine question, which had been requested by the Arab League Council in September, had begun on 13 November with a speech by the Chairman of the PLO, Mr Yassir Arafat, a resolution to invite the PLO to participate in the debate having been adopted by the General Assembly on 14 October by 105 votes to 4 with 20 abstentions (including Britain). In his speech, Mr Arafat declared that the Palestinians' struggle was not with Judaism but with Zionism, an 'imperialist, colonialist and racist' ideology whose followers had usurped the Palestinians' homeland and enforced their dispersal, turning them into second-class citizens. This they could not submit to and once it had become clear they would not recover 'one inch of Palestine through exclusively political means', they had had no option but to resort to armed struggle. He said that his dream was for one democratic state where Christian, Jew and Muslim could live together in justice, equality and fraternity.

Israel's Position

The Palestine policy of the Israeli Government of Mr Rabin, which assumed office on 28 May 1974, remains that of its predecessor. In a statement issued on 21 July, it declared that it was prepared to work towards negotiations for a peace agreement with Jordan, to be 'founded on the existence of two independent states only – Israel with united Jerusalem as her capital and a Jordanian-Palestinian Arab state, east of Israel, within borders to be determined in negotiations between Israel and Jordan. In this state', the statement continued, 'the specific identity of the Jordanians and the Palestinians will find expression in peace and good-neighbourliness with Israel.' The Israeli Government, it added, would not enter into negotiations with terrorist organisations whose aim was the destruction of the state of Israel.

This position has since been reaffirmed by Israeli ministers on a number of occasions, and in particular by Mr Rabin in the Knesset on 5 November, when he reviewed the situation in the light of the decisions of the Rabat summit conference, and by Mr Tekoah, Israel's representative at the United Nations, speaking in the Palestine debate on 13 November. In both these speeches it was emphasised that, despite the Rabat decisions, Israel was still ready to negotiate with Jordan, in which the Palestinians already had a political entity, but not with the PLO which was simply a creation of other Arab states. In a statement issued in Tel Aviv on 14 November, the Israeli Foreign Minister, Mr Allon, declared that Mr Arafat's speech at the General Assembly was proof that the only aim of 'the Arab terrorist gangs' was the liquidation of the Israeli state. Israel, he added, would neither recognise nor negotiate with terrorist organisations that sought its destruction, and would fight them 'to the bitter end by every means it sees fit'.

BRITISH VIEWS

The British Government's views on a peace settlement, and the Palestinian question were outlined

by Mr Ivor Richard, Britain's permanent representative at the UN, speaking in the General Assembly debate on 21 November, and by Lord Goronwy-Roberts, Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, in a speech in the House of Lords on 11 December (*Hansard*, HL, cols 730-35). Both speakers emphasised that the British Government believed that no settlement devised for the Middle East would have a chance of lasting unless it provided a means whereby the Palestinian people could exercise 'their legitimate political rights', rights, however, which had to be wholly compatible with the continued and assured existence of Israel as a state.

A Peace Settlement

The British Government's chief aim, Mr Richard told the General Assembly, was to provide a just and lasting peace in the Middle East, and to this end it would do all in its powers to ensure that the peace negotiations which Dr Kissinger was conducting were not prejudiced or in any way put at risk. It saw 'no more encouraging way for the complex and difficult problems of the Middle East to be brought to a peaceful conclusion than through his skilful and persistent diplomacy'.

A peace settlement, Mr Richard said, referring to a recent speech by Britain's Foreign and Commonwealth Secretary, Mr Callaghan (see p 419, 1974), had to satisfy three fundamental requirements. These were that Israel must have satisfaction of its need for recognition by its neighbours of its permanence as a state and of its legitimate security requirements; that Israel's Arab neighbours must have satisfaction on the withdrawal of Israeli occupying forces; and that provision must be made for satisfaction of the needs of the Palestinians, not only the rights of individual Palestinian refugees, as was laid down for so many years by the General Assembly, but also the legitimate political rights of the Palestinian people. The British Government also believed that the full implementation of Security Council resolution 242 as called for in Security Council resolution 338 (see pp 439-46, 1973), 'was an indispensable requirement for the attainment of a just and lasting settlement'. It set out the basic requirements of the Arab states and Israel, calling for the withdrawal of Israeli occupying forces and reaffirming the principle that Israel like other states in the area was entitled to live in peace with its neighbours within secure and recognised borders. The General Assembly, he added, should do nothing which might undermine these key principles.

The Palestinian Question

While resolution 242 set out a way by which the Arab states and Israel could work out how to live in peace together, this was not the whole of the problem. There was also the question of the Palestinians, 'perhaps the oldest and most complex of the questions involved in the dispute between Israel and the Arab world'. Resolution 242, passed as it was over seven years ago, took no account of what had since become an increasingly evident aspect of the Middle East scene. This was the belief of the Palestinians that they were a separate people: that they were a people distinct from the peoples of the lands in which many of them now live; that they were indeed a people with a just claim to express their own identity within the territory with which they were historically associated, and that, as such, they had political rights which extended beyond the rights of refugees referred to in resolution 242. The British Government, Mr Richard declared, had much sympathy with these sentiments. The Palestinians were central to the Middle East conflict and any attempt to ignore them would only exacerbate matters. They had to be involved fully in any settlement and the international community in the Middle East had to find a way to enable the Palestinian people to express their personality and exercise their legitimate political rights. But this had to be done in a manner which did not 'infringe upon or call into question the right of Israel as a state to exist in peace within secure and recognised boundaries'. This right was that of Israel as a state and not merely that of Israelis as individuals. This, he added, was an all-important proviso and neglect of it would do much damage to the search for peace which everyone desired to foster.

The British Government, Mr Richard stated, would continue to support efforts to find a solution based on Security Council resolutions 242 and 338 and giving due recognition to all the realities of the Middle East. 'The resolutions must be supplemented – but not supplanted and not distorted out of shape or recognition – by an acknowledgment that the intergovernmental settlement for which they provide must now be broadened to include a place for the Palestinian people as well.'

The PLO

In explaining Britain's decision to vote against according the PLO observer status at the General Assembly, Mr Richard explained on 25 November that this had nothing at all to do with Britain's views on the substance of the Palestine question. The United Nations was an organisation of sovereign independent states, and in the past the status of permanent observer had been confined to non-member states and to regional organisations of states. However, if the resolution before the Assembly was adopted, it would in effect give the PLO the status of a permanent observer, and whatever view one might take of the PLO in political terms, it was not the government of an existing state, it had not been recognised as such by anybody, and it did not purport to be one. This was a fundamental departure from previous practice, and brought into question the nature of the UN as it had hitherto been accepted.

Saudi Arabia: Chancellor's Visit

The British Chancellor of the Exchequer, Mr Denis Healey, visited Saudi Arabia from 9 to 12 December 1974 for talks with King Faisal and members of the Saudi Arabian Government on international economic questions of common interest and on the development of closer economic relations between the two countries. The substance of these discussions was outlined by Mr Healey in a statement to the House of Commons on 13 December (*Hansard*, cols 982-88).

Mr Healey's Statement

Mr Healey told the House that in his talks he had informed the Saudi Arabian Minister of Finance, Prince Musa'id, of his initiative at the annual meeting of the International Monetary Fund (IMF) for an enlarged recycling facility for the 'petro-dollar' surpluses of the oil-exporting countries (see pp 378-9, 1974). The Saudi Arabian authorities had indicated that they were in principle in favour of the plan, although they wanted to see the details before deciding to what extent and on what scale they would co-operate. In reply to a question, Mr Healey stated that if the plan was adopted by the Interim Committee of the IMF (see pp 433-4, 1974), it would be by far the best way of starting a dialogue between the oil-producing and oil-consuming countries, since both recognised a common interest in establishing a secure location for part of the 'petro-dollar' surpluses, from which they could be recycled to countries which would inevitably have oil deficits for the time being.

Turning to bilateral relations, Mr Healey stated that the Saudi Arabians had exhibited a very positive interest in the development of closer economic and industrial co-operation with Britain, and it had been agreed that a committee of officials from both countries would meet in Riyadh in February to discuss in detail plans for increasing such co-operation and the means by which they should be implemented – including the possibility of a Joint Commission. The first task of this committee would be the development of a medium-term programme for increasing trade. Agreement was also reached for Lord Ashby, Master of Clare College, Cambridge, and Chancellor of Queen's University Belfast, to visit Saudi Arabia in the near future for discussions on the development of university education – a field in which the Saudi Arabian Government desired the closest co-operation with Britain. It also wished to conclude a general agreement on educational co-operation.

On the question of Saudi investment in Britain, Mr Healey said that the Saudi Arabian Government intended not only to maintain but to increase its holdings of currency in Britain and to develop investment in many fields, including, he hoped, productive enterprises.

British-Saudi Economic Relations

Saudi Arabia possesses one of the fastest growing economies in the Middle East, its development being largely financed by revenue from its oil exports (Saudi Arabia is the world's largest exporter of oil). Under the current five-year development plan, which began in 1970, the main emphasis is on the development of the country's infrastructure, and vast sums of money are being spent on the construction of roads, ports, airports, telecommunication facilities, schools, hospitals and municipal projects. Considerable expenditure is also being directed towards a growing number of agricultural and industrial projects, expansion in these sectors being based on the country's oil and gas resources. A second five-year plan with a budget of US $60 million is under preparation, and this is expected to place increased emphasis on agricultural and industrial development.

While oil revenues provide the finance for Saudi Arabia's development, it is dependent on other countries to supply much of the technology, training and expertise also required. Saudi development, therefore, offers a rapidly expanding market for British goods and also opportunities for long-term, Saudi-British co-operation and the development of a close relationship between British technology and Saudi prosperity. Already, Saudi Arabia is the fastest growing market in the Middle East for British goods and Britain's largest customer in the Arab world. In the first ten months of 1974 Saudi Arabia bought more than twice as much from Britain as it did during the same period of 1973 – goods worth £98·3 million as against £48·5 million. This makes Britain Saudi Arabia's third leading supplier, after the United States and Japan, commanding more than 10 per cent of the total market. Britain's main exports include telecommunications equipment, transport equipment, industrial machinery and construction equipment, while tobacco and medical goods are the main consumer goods exported. Saudi exports to Britain consist almost entirely of oil, these comprising about 35 per cent of Britain's oil requirements and costing over £1,000 million for the first ten months of 1974.

Britain is also contributing to Saudi development through work undertaken in Saudi Arabia by British firms, especially those in the construction and civil engineering fields. These have been responsible for town planning schemes, the provision of urban services, desalination projects and for major communication networks both within the country and with the outside world. For instance, a British consulting engineering firm designed the £20 million deep-water Red Sea port of Jeddah which opened in 1973, and has since been contracted to design a huge new port at Jubail on the Gulf. Other British firms have been engaged to provide the electrical installations for the £125 million airport development at Jeddah, aviation technical services for the Ministry of Defence and Civil Aviation, and oil pipelines and gas treatment plants for the Arabian-American Oil Company. British firms have also secured major contracts for educational and medical projects, including design and equipment contracts for the King Faisal Specialist Hospital, Riyadh, the design of a health and medical services centre of a university at Darayra, and the design of conference centres at Riyadh and Mecca.

Shorter Notes

HONG KONG

In the course of a short adjournment debate on Hong Kong, Britain's largest remaining dependency, the Minister of State for Foreign and Commonwealth Affairs, Mr David Ennals, made a statement (*Hansard*, 18.12.74, cols 1779-84) dealing principally with social conditions and with the Hong Kong Government's ten-year social programme inaugurated in 1972, which aims at providing satisfactory living

standards for the whole population, now numbering some 4·5 million.

He said that economic problems in the past year had posed great difficulties for Hong Kong, which is totally dependent on trade. Exports were down in 1974 as compared with the previous year, while real wages, which had been increasing by about 5 per cent annually, declined by about 12 per cent. The Government was faced with the need to raise new revenue to keep the social programme going, and some review and rephasing might be necessary; but the Governor had confirmed that the programme would go forward.

The Minister referred specifically to progress and plans in housing, medical services and education; to the Government's efforts to raise the standards of working conditions in the colony; to the fight against crime; and to social problems created by the increase in immigration, both legal and illegal, from China. He concluded his statement with a reference to Hong Kong's relationship with the EEC. The colony already benefited under most of the Community's generalised scheme of preferences, and in 1975 (see p 462, 1974) some of Hong Kong's footwear would be included. The British Government would press for a further extension in 1976 to cover textiles. Hong Kong would also be negotiating with the Community for the conclusion of a bilateral agreement for the regulation of its textile exports under the GATT Multi-Fibre Textile Arrangement.

CROWN AGENTS

On 18 December 1974 the Minister of Overseas Development, Mrs Judith Hart, told the House of Commons (*Hansard*, cols 1578-84) that the Crown Agents had made a formal request to the Government for financial assistance to help overcome an immediate problem of reserves and liquidity due to a decline in the market value of some of their assets. This requirement was related both to the realistic writing down of asset values in the Crown Agents' accounts, and to the need to ensure financial backing appropriate to operations involving some £600 million, excluding funds of some £200 million managed by the Crown Agents for their principals (that is, clients). The Government, therefore, had agreed to provide the Crown Agents with £85 million, subject to parliamentary authority, which will be recoverable, by direction, from their future earnings or appreciation of their assets. 'These arrangements', Mrs Hart declared, 'will demonstrate beyond all doubt that the Government stand behind the Crown Agents so that the position of all depositors is fully safeguarded; that the confidence of their overseas principals is fully maintained, and that the important services provided to the principals are continued'.

The Crown Agents were established in 1833 and now act as financial, commercial and professional agents for 97 governments and over 200 public authorities and international bodies. Their annual report for 1973 (see p 216, 1974) recorded a continued increase in the demand for their services. In July 1974 Mrs Hart announced arrangements for restructuring the Crown Agents (see pp 314-15, 1974), and there is now a Board of Crown Agents including up to seven part-time members (of whom three have been appointed) with a full-time chairman. The present chairman is Mr John Cuckney who took up his appointment on 1 October 1974.

REPUBLIC OF MALTA

On 13 December the Maltese House of Representatives passed a Bill amending the constitution adopted when Malta became independent of Britain in 1964. The Bill provided, *inter alia*, for Malta to become a presidential republic. Later on the same day, Sir Anthony Mamo, Governor-General of Malta since 1971, was sworn in as the first President of the Republic of Malta.

THE INTER-AMERICAN DEVELOPMENT BANK

Britain was one of 12 countries which, on 17 December 1974, signed the Declaration of Madrid stating their intention to become non-regional members of the Inter-American Development Bank (IDB). The others were: Austria, Belgium, Denmark, the Federal Republic of Germany, Israel, Italy, Japan, the Netherlands, Spain, Switzerland and Yugoslavia.

The IDB was set up in 1959, with headquarters in Washington, to finance development in Latin America. At present membership is restricted to countries in North and South America and the Caribbean, but Britain – like the other signatories to the Declaration – has co-operated with the bank as a non-member, and has made contributions totalling £9·1 million to two trust funds set up in 1966 and 1971, which have been used, in conjunction with bank funds, for projects in Peru, Chile, Bolivia, Paraguay and Brazil. Under the new agreement Britain has undertaken to contribute $71·7 million, to be paid in three annual instalments. Contributions from signatories are likely to start in 1976, and will be used by the bank to lend to Latin American countries to finance development projects, with repayments being made over a long period and having soft interest rates. Most of the money will be paid to the bank's Fund for Special Operations, for lending at low interest rates; the remainder will be paid in as a contribution to the bank's capital.

ECONOMIC AND SCIENTIFIC AFFAIRS

World Food Conference

The United Nations World Food Conference ended in Rome on 16 November 1974 with the adoption of resolutions calling for the establishment of international machinery to increase world food production and to channel more basic foodstuffs to regions critically short of them. The conference, which had opened on 5 November, was convened under a resolution of the General Assembly adopted on 17 December 1973, which defined its principal task as the development of 'ways and means whereby the international community as a whole could take specific action to resolve the world food problem within the broader context of development and international co-operation'. The conference was also instructed to place emphasis on additional measures for increasing food production, consumption and trade of the developing countries.

The conference was attended by ministerial-level delegations from 130 countries, the British delegation being led by the Minister of Agriculture, Fisheries and Food, Mr Frederick Peart. The Minister of Overseas Development, Mrs Judith Hart, also attended.

The World Food Problem

United Nations studies undertaken in preparation for the conference show that the present precarious world food situation has arisen against a background of two decades of plentiful, if geographically unbalanced, food supply. In the 1950s huge reserves of grain, mainly in North America, kept prices within bounds, and fended off famine wherever it threatened. Even in the developing countries, food supply was roughly in balance with the low level of demand. In the 1960s, however, the 'grain mountain' eroded under production controls and population began to grow faster than production in the developing world. Poor harvests in the developing regions in 1971 and unusually widespread crop failures throughout the world and massive wheat purchases by the Soviet Union in 1972 drained away most of the remaining reserves. While production has since returned to levels which in historical terms are reasonably high, it has not succeeded in rebuilding a secure reserve – reserve wheat stocks in 1974 were some 22 million tons compared with 60 million tons in 1970 – or in keeping pace with rapidly rising demand. This shortage, coupled with a fertiliser shortage due to rising energy costs, has also resulted in steep increases in the price of major grains such as wheat, maize and rice, and this has hit consumers in the developing world particularly hard. These now spend between 70 and 80 per cent of their incomes on food. Thus the world food problem is the result of both short-term factors, such as adverse weather conditions, inflation and fertiliser and energy shortages, which have been the main causes of the current crisis, and long-term factors, principally a growing imbalance between food production and food demand due to rising population growth rates, which have intensified it. The studies emphasise that it is not enough to consider the food supply in terms of emergency methods to avoid famine and alleviate acute distress, since actual starvation is the ultimate manifestation of a chronic and widespread food shortage. Less dramatic but more insidious, are the effects of prolonged malnutrition, which rob adults of energy, expose people more easily to disease and have crippling and permanent impact on the physical and mental development of children. United Nations sources estimate that some 400 million people in the developing world, about half of them children, suffer from serious malnutrition.

Reviewing the situation in a speech at the opening session of the World Food Conference, the United Nations Secretary-General, Dr Kurt Waldheim, declared that only a massive increase in the production and distribution of food, particularly in the developing countries, could make meaningful inroads into such widespread chronic malnutrition. It was estimated, he continued, that total food production would have to double by the end of the century to provide, at the present level of consumption, for all of the world's population, and more than double if a sufficient surplus was to be created to facilitate improved nutrition for those who most needed it. A programme to achieve this had to be brought into being immediately, and it would require an unprecedented effort in international co-operation. It was the task of the conference to determine how this could be achieved.

Conference Resolutions

The conference's main recommendation was the establishment of a World Food Council to co-ordinate and sharpen the response of international agencies to the needs of agricultural development, nutrition, food security, food aid and related matters. If approved by the UN General Assembly, the council will be established at ministerial level, member states being nominated by the Economic and Social Council and elected by the General Assembly. Its

secretariat will be provided within the framework of the Food and Agriculture Organisation (FAO) and have its headquarters in Rome. The agreement on the council, reached after prolonged negotiations, reflects a compromise between the views of those who wanted a new UN policy-making body on the lines of the UN Conference on Trade and Development operating in the food field, and those, including Britain, who were sceptical of the usefulness of creating yet another international bureaucracy whose activities would overlap and compete with those of the FAO.

The conference's main financial proposal was for an international fund for agricultural development to channel investment towards the improvement of agriculture in the developing world, contributors to the fund to include both traditional assistance-granting nations and those developing countries with ample means. The UN Secretary-General was requested to convene a meeting of all interested countries and institutions to work out detailed arrangements for the fund, which will not become operational until he has decided that adequate additional resources would be forthcoming and that its operation had a reasonable prospect of continuity.

On the question of a world food security system, the conference endorsed the objectives, policies and guidances for the FAO's proposed international undertaking (approved by the FAO council in July 1974) which envisages international co-ordination of nationally held food stocks as one of the measures necessary to ensure adequate availability of basic food supplies. To support this, the conference called for the establishment of a worldwide food shortage detection service which would operate by monitoring world food supply and demand conditions, reserve stocks, the prices and supplies of the main agricultural inputs, especially fertilisers, and weather conditions.

Closely related to the resolutions on food security is one on an improved food aid policy. This, while recognising that the solution to food shortages lies in increasing production, suggests that, in the interim, food aid should continue in order to meet emergency and international needs. The key recommendation is that donor countries should provide, on a three-year forward plan basis, commodities and finance for food aid to a minimum level of 10 million tons of cereals each year plus adequate quantities of certain other food commodities.

British Views

Addressing the conference on 6 November, Mr Peart declared that Britain was increasingly focusing its aid on the agricultural sector, in recognition of the close relationship between development and the problems of hunger and malnutrition. In particular, more and more attention was being paid to schemes for integrated rural development designed to create the conditions in which more food could be grown. The hunger problem existed, he reminded the conference, not only because there was a shortage of food, but because there was widespread and dire poverty. Considerable aid was also being provided, and would continue to be provided, to assist developing countries construct their own fertiliser plants, the British Government considering it essential that these countries should have their own sources of this crucial input of food production. At present Britain was helping in the development of four fertiliser plants in India and another in Bangladesh, and the provision of similar assistance to other countries, including Pakistan, was under consideration. Another factor to which Britain attached importance, was the dissemination of agricultural techniques and knowledge through educational and vocational training, and, in this context, Mr Peart pointed out that Britain was increasing its already substantial contributions for the financing of agricultural research under the aegis of the Consultative Group for International Agricultural Research.

Turning to the question of improving nutrition, Mr Peart referred the conference to a recent British Government report entitled *British Aid and the Relief of Malnutrition* (published in July 1974 and available free from the Ministry of Overseas Development [ODM]). This confirmed that the prevalence of debilitating diseases in developing countries was due simply to the lack of food and stressed that the answer lay in economic and social development which included among its objectives increased food production and higher incomes for the poor. This would involve better marketing as a stimulus to supply, improved cultivation, more fertiliser, the breeding of new crop varieties, improved livestock production and grazing, the development of fishing industries, and the prevention of food losses during growth and storage. All these factors were referred to in the report, and they were the ones on which Britain had generally concentrated in its aid activities.

With regard to the shorter-term problem of ensuring that the world was not at the mercy of sudden shortages and crop failures, Mr Peart urged all countries, and particularly the major producing countries, to come together in an agreement on information sharing about stocks and harvest prospects, so that problems of shortage could be anticipated and the necessary action taken in time. He also favoured linking this information-exchange system to a world stockholding system, but he warned that the latter would need careful planning to ensure that it would be effective. He did not consider, however, that a new international organisation was required to bring about this increase in international co-operation, believing that the existing international bodies in the field provided the essential organisational framework.

BRITISH AID

Britain recognises both the gravity of the food problem in developing countries and the fact that the improvement of the situation depends mainly on increased production in those countries. Considerable assistance is required from the more developed countries like Britain, but it is essential that this be accompanied by a real commitment by developing countries to a programme of increased food production through agricultural development. Implicit in any such programme is the need for production planning, conducive price policies, development of storage facilities for stockholding, attention to storage problems and attention to marketing systems. Britain is in a strong position to offer assistance in all

these activities, having built up a considerable body of relevant expertise based on long experience in tropical countries.

The general aim of British aid in the agricultural sector, including forestry and fisheries, is to improve the quality and quantity of both food and cash-earning commodities so as to improve conditions for people living in rural areas. More and more it is designed to bring the small farmer into the development system. At present, assistance is concentrated on improving livestock, crop agronomy, control of plant and animal pests and diseases and mitigating the effects of floods and soil erosion. The importance attached by the ODM to aid in this sector can be seen in the existence of the Natural Resources Advisory Group within the ministry consisting of advisers in general agriculture, animal health, forestry, fisheries, land tenure, agricultural research, agricultural engineering, co-operatives and marketing and agricultural economics and management. The ODM also draws heavily on advice from universities and the Agricultural Research Council, institutions such as Rothamsted Experimental Station, East Malling Research Station and the Grassland Research Institute, Hurley.

It is estimated that about one-fifth of Britain's aid programme is currently being spent on agriculture and food aid. It is not possible, however, to give an exact figure because of the difficulty of attributing to a particular sector aid which is used to benefit the economy as a whole. In 1972 aid able to be identified in this sector amounted to £22 million. Of this, £3·12 million was spent on technical assistance grants (see below), while nearly £16·5 million was disbursed on aid for specific capital projects, including land settlement, irrigation schemes, rural development and agro-industry. The remainder comprised £1·1 million non-project aid and about £1 million in multilateral aid, most of the latter representing Britain's contribution to the World Food Programme (Britain's contribution to the FAO, some £2·3 million for the biennium 1972-73, falls mainly outside the aid programme). In addition to identifiable agricultural aid, agriculture also benefits from aid provided for the improvement of the economic and social infrastructure of developing countries.

Technical Assistance

Aid to agriculture under technical assistance arrangements includes the provision of experts and volunteers serving abroad (1,227 and 232 respectively in 1973), the training of overseas students in Britain (792 in 1973) and surveys and feasibility studies of agricultural projects carried out by British consultancy firms (25 in 1973 not including irrigation and drainage projects). Financial support is also provided for many agricultural research projects, of which there are more than 80 at present, carried out both overseas and in Britain and which encompass most of the scientific disciplines in agriculture. Many of these are undertaken by home-based scientific units maintained by the ODM, such as the Tropical Products Institute, the Centre of Overseas Pest Research, the Land Resources Division and the Overseas Department of the National Institute of Agricultural Research. Agricultural research is also assisted through multilateral funds by contributions to the family of research institutes which come under the Consultative Group for International Agricultural Research. These institutes deal with problems common to large areas of the developing world. Among them are the International Rice Research Institute in the Philippines, the International Institute of Tropical Agriculture in Nigeria and the International Crop Research Institute for the Semi-Arid Tropics in India.

Food Aid

In general Britain is unenthusiastic about the idea of giving food aid as a contribution to development. A major reason, especially relevant to the British situation, is that food aid is not additional but is an alternative to other, and in the view of the British Government, inherently preferable, forms of aid such as stimulating agricultural development. The Government, however, recognises that a different situation exists in relation to emergency food aid, and that for humanitarian reasons it is essential to meet shortfalls arising from natural and man-made disasters. As a net food importer, Britain is unable to provide food from its own resources, but considerable financial support has been given to rescue programmes, both multilaterally and bilaterally, and essential air and land transport has been provided on a bilateral basis. For example, Britain has provided almost £6 million for the recent relief operations in the Sahel and Ethiopia, some £12 million for similar operations in Bangladesh, and contributes to the UN Emergency Operation.

Britain is a regular contributor to the World Food Programme (WFP), established in 1963, which devotes the bulk of its resources to providing food as a tool for developing countries in their schemes of self-betterment – feeding workers employed on agricultural and industrial projects for example – and also provides some emergency relief. Since its inception the WFP has gained considerable experience in the distribution of food aid, and Britain is a strong advocate of greater use being made of the WFP's experience and organisation. Its own pledged contributions to the programme, in the form of cash and commodities, totalled over £7·7 million for the period 1963-72 and some £2·5 million for 1973-74. Its pledge for 1975-76 is £3·325 million.

Since its accession to the European Community in 1973 Britain has also contributed to the Community's food aid programmes, this amounting to some £4·4 million in 1973 and about £5·5 million in 1974.

Government and Industry

It is officially estimated that Government support for industry under existing powers will total about £800 million in 1974-75. In addition to giving regional development aid for industry in the assisted areas (see p 388, 1974) under the Industry Act 1972, the Government has been increasingly concerned in recent months with requests for selective financial assistance from companies which are facing financial difficulties of various kinds. Other measures

announced in the Budget statement (see p 472, 1974) are aimed at restoring to industry the confidence and financial resources it needs if it is to sustain the output and investment necessary for full employment. The strategy outlined in the White Paper on the regeneration of British industry (see p 386, 1974), for which legislation is expected early in 1975, is also aimed at improving industrial confidence by providing, through the National Enterprise Board and planning agreements, the means for full co-operation between Government and all sections of industry. When the necessary legislation is introduced, there will be some revision of the existing Industry Act.

Selective financial aid has been offered or given to companies, through the Government, under two sections of the Industry Act: section 7, which allows special aid to be given if it provides, maintains or protects jobs in regions suffering from unemployment, and section 8, which allows assistance only if national interests are involved or help cannot be obtained from conventional sources. Between 1 January and 30 November 1974, offers of regional selective assistance worth £180 million were made under section 7, and other applications totalling £160 million are being considered. Payments in the same period totalled £40 million. Under section 8, offers made to firms in this period totalled £11 million (excluding the North Sea Credit Scheme and the Wool Textile Industry Scheme) and payments totalled £4 million. Individual instances of requests for Government assistance both during and since the periods mentioned are given below, together with brief accounts of decisions taken by the Government in connection with the Rolls-Royce (1971) Ltd advanced aero-engine and the Hawker Siddeley *HS 146* aircraft project.

Selective Assistance for Industry

British Leyland

A debate in the House of Commons on 18 December 1974 (*Hansard*, cols 1725-73) on the question of financial assistance for the British Leyland Motor Corporation Ltd (BLMC) followed the statement of the Secretary of State for Industry, Mr Anthony Wedgwood Benn, of 6 December (see p 474, 1974) that the Government was to seek Parliament's approval for a guarantee of the working capital required by the company. The motion was carried, authorising financial assistance under section 8 of the Industry Act in the form of guarantees for bank loans over £5 million but not to exceed £50 million.

During the debate Mr Benn announced the membership of the team led by Sir Don Ryder (recently appointed Industrial Adviser to the Government [see p 457]) to advise the Government on British Leyland's situation and prospects. He said that the team would conduct, in consultation with the corporation and the trade unions, an overall assessment of BLMC's present situation and future prospects and would report to the Government, probably in the spring of 1975.

In British Leyland's financial report, published on 18 December, it was revealed that the company had made pre-tax profits of £2·3 million in the year to September, despite losses of £16·6 million in the first six months. Vehicle sales over this period reached 1·02 million cars, commercial vehicles and agricultural tractors. The corporation's borrowing needs, for which the Government is providing guarantees, are largely in connection with the £500-£600 million investment programme (at 1973 prices), in which production plants will be modernised and new models financed. The Government is to take a financial stake in British Leyland in return for the guarantees and the probable injection of additional capital, according to the company, but details of the extent of the share and the degree of State control have still to be decided.

Ferranti

Another request for aid currently being considered by the Government has come from Ferranti, the high technology electronics group. In a statement on 15 September 1974 the company maintained that it had been faced with the effects of inflation and said that the Government had agreed to provide support under the Industry Act. Rather more than half Ferranti's annual turnover of some £70 million consists of contracts for key defence equipment both in Britain and overseas, including laser range-finders and target seekers for *Jaguar* and *Harrier* aircraft. Contracts for the collaborative Multi-Role Combat Aircraft (MRCA) represent some 15 per cent of its avionics business. Other sectors of its production, however, have proved unprofitable recently. Low profits and high research costs have contributed to the company's acquiring a substantial overdraft.

Union and management representatives met Mr Benn to discuss the company's problems and its future on 17 September 1974. Mr Benn said that the Government had undertaken support for the company as a holding operation to give time to find a long-term solution. Early in November, Mr Benn expressed his conviction that the Government was right to help an enterprise which provided some 14,000 jobs in development areas. Ferranti has given the Department of Industry a report covering in detail the market prospects, potential profitability and recommendations for each sector of its business. Mr Benn said on 20 December that he would make a statement on the form of Government assistance to Ferranti after the various possibilities had been discussed with employees and management. He said that he hoped to begin such discussions shortly. The company has acknowledged that Government aid is likely to involve a Government shareholding and some degree of State control.

Alfred Herbert Ltd

Aid is being given under section 8 of the Industry Act to the Alfred Herbert group, one of the most important segments of Britain's machine tool industry. The company has faced financial problems for some time and its long-term commercial future had become uncertain; Mr Benn said early in November that the imminent problems of the company were the first to be put before him when he took office in February 1974. The managing director of the group said that the over-riding problems which had brought about the present situation had been the high level of borrowings and interest on them, the effects of inflation and the last major

downturn in the machine tool industry. Alfred Herbert has sales of around £40 million annually, a large proportion being exports, and employs a workforce of some 6,500. It manufactures an almost complete range of production machine tools.

In a statement on 29 October 1974 Mr Benn said that in view of the company's leading position in the machine tool industry due to the high level of skill of its workforce, and of its major contribution to exports, the Government had agreed to make available assistance to enable business at home and overseas to continue normally while suitable arrangements were worked out to meet the company's long-term financial needs. When these had been clarified parliamentary approval would be sought.

On 1 November 1974 Mr Benn announced the formation of a consultative body comprising Government, management and union representatives to 'assist in developing a long-term corporate strategy'. The Government said on 5 December 1974 that the ceiling amount of the bank guarantee made available to Alfred Herbert Ltd stood currently at £2 million.

Scientific and Medical Instruments

Assistance has been given under the Industry Act in the form of a bank guarantee of £1·25 million to enable Scientific and Medical Instruments (SMI) to continue in business normally while arrangements are worked out to meet its longer-term requirements. SMI is the company being formed separately from the part of the George Kent Group which makes scientific instruments, including electron microscopes. George Kent itself is being reorganised, following its acquisition by the Swiss electrical group, Brown Boveri. A company, of which Brown Boveri will hold 49 per cent and into which it will inject £6·5 million, is to be formed to run the manufacture of control equipment. Cambridge Scientific Instruments, previously part of the group, is to be incorporated into the new concern, SMI. Because of production and other difficulties there has been an accumulation of stocks and a fall in income in the instruments company, but the board of George Kent has expressed confidence that there will be an early return to profitability.

Aston Martin Lagonda

Aston Martin Lagonda, the specialist car manufacturing company, approached the Government for aid in July and September 1974 and on 29 October 1974 it was informed that the Government was willing in principle to provide assistance under the Industry Act. The Government's offer of a £600,000 loan was subject, however, to a number of conditions which Aston Martin was unable to meet. The Industrial Development Advisory Board, a group of industrialists set up to advise the Minister under the Industry Act 1972, considered both applications but concluded the business did not hold out sufficient prospects of viability to warrant Government assistance. The company announced its decision to go into voluntary liquidation on 30 December. A number of proposals of financial assistance have been received, however, both from within Britain and from overseas, and these are being considered by the official receiver.

Fodens Ltd

On 3 January Mr Benn announced that Fodens Ltd, the manufacturer of lorries and specialist vehicles, had sought Government assistance to help overcome its liquidity problems. The Government had agreed to provide support under section 7 of the Industry Act by means of a guarantee of an increase in the company's overdraft facilities. This step is being taken as a holding operation while the financial prospects of the company are examined so that a long-term solution can be found. The company has said that the problem had been created by the cost of a development programme of £5 million over the past three years. This has been aimed at lessening Fodens' involvement in vehicles for the construction industry. The recession of trade in the vehicle market has affected the company's ability to finance the programme.

Assistance for Workers' Co-operatives

The Government has made offers of financial support to three companies where workers' co-operatives have been formed. These are the light engineering factory formerly owned by IPD (Industrial) at Kirkby, the *Scottish Daily News*, formerly the *Scottish Daily Express*, and the Triumph motor-cycle plant at Meriden. Discussions are also in train with Propytex in Hartlepool.

Offers made to the proposed *Scottish Daily News* and to IPD come under section 7 of the Industry Act. The Government has offered a loan of up to £1·75 million to the Scottish newspaper project on certain conditions, one of which is that the action committee should raise half the capital needed, which is now estimated to total about £2·5 million.

The co-operative of some 1,200 workers at the IPD factory has been offered a grant of £3·9 million. The offer remains open for acceptance until 28 February. The co-operative wishes to register as a new company, for the manufacture of central heating equipment, motor components and soft drinks. As with the other two co-operative schemes, the grant was made against the recommendations of the Industrial Development Advisory Board. The board subsequently exercised its right to protest under section 9 of the Industry Act, obliging the Secretary of State for Industry to lay before Parliament a statement in explanation of his decision to give selective financial assistance against the board's recommendations. The main argument put forward as justification for the decision by the Government was that the project would sustain and create jobs in an area where unemployment was already high.

The announcement of the Government's proposals of assistance to the Meriden co-operative was made in July 1974 (see p 349, 1974), but a number of issues have since then prevented the plant from beginning operations. Norton Villiers Triumph, which had agreed to market Meriden motor-cycles for a two-year period as well as its own, required cover from the Export Credits Guarantee Department to finance export sales. In November Mr Benn met representatives of Norton Villiers Triumph Small Heath factory and told them that the Government would be seeking the authority of Parliament for the provision of support under section 8 of the Industry Act in the form of a guarantee to enable NVT to

obtain additional export stock finance from the commercial banks up to a maximum of £8 million. He reaffirmed the Government's interest in the long-term welfare of the whole of the British motor-cycle industry.

Workers at NVT Small Heath factory have been opposed to the co-operative project because of the fear that production at Meriden would endanger their jobs. A meeting between union officials from Small Heath, Wolverhampton (NVT's other factory) and Meriden was held in December in an effort to dissipate this fear. A further meeting was called at Mr Benn's request by the Confederation of Shipbuilding and Engineering Unions (CSEU) on 16 December. Agreement was reached among the representatives of all the manual unions concerned that the Government should be asked to take NVT into public ownership, making finance available to create a 'holding situation', and to give the workers assurances on their security and prospects. The co-operative should be encompassed within the holding situation while final proposals on the public ownership of the motor-cycle industry were considered. The compromise has been agreed by stewards at Small Heath and the proposals presented to the Government.

In a debate on 20 December 1974 in the House of Commons (*Hansard*, cols 2058-67) the Minister of State, Department of Industry, Mr Eric Heffer, said that Mr Benn had promised to let the CSEU have his formal comments on the agreement as early as possible. The matter was being discussed and the exact amount of finance required was not yet known. The Government was deeply concerned that Britain should have a viable motor-cycle industry and believed that this British industry could still lead the way, as it had done in the past.

Hawker Siddeley Aviation

Discussions between the Government and Hawker Siddeley Aviation have been taking place in recent weeks over the company's decision to stop work on the development programme for the *HS 146* feeder airliner. The decision followed a steep rise in the estimated cost as the result of inflation; according to the company, this and the oil situation had made the programme commercially uneconomic. A spokesman for Hawker Siddeley said in October 1974 that inflation had pushed up the estimated cost by 20 per cent in 1974 and another 20 per cent could be expected in 1975 and that continuation of the project on the current basis could jeopardise the future of all the group and its 83,000 employees.

In a statement in Parliament on 9 December 1974 (*Hansard*, cols 45-52) Mr Benn said that Hawker Siddeley had told the Government on 22 July of its view that the *HS 146* was not viable as a commercial project and that continuing expenditure under the contract for development, to which the Government had given its support in August 1973 (see p 365, 1973), was no longer justified. The company therefore proposed the contract should be mutually terminated. Full discussions were held between Mr Benn and the trade unions and the company separately. On 14 October Hawker Siddeley gave notice that it would stop work unilaterally on the project on 21 October. Later it stated that it would only contemplate continuing work if the Government provided all the required funds, which would be at least £120 million at current prices over the next three years.

Mr Benn said that the Government had completed a thorough review of all the options and had decided that it could not justify total funding by the Government. Nevertheless it was concerned to maintain that type of capability in the civil aircraft industry and to give the board of the new nationalised aircraft corporation (see p 386, 1974) the opportunity of reviewing the *HS 146* project itself in the light of the circumstances of the time and its plans for the industry as a whole. Hawker Siddeley had given assurances that it would retain the necessary jigs, tools and drawings, etc, on the *HS 146* and relevant design capacity. Mr Benn said that the Government would be prepared to contribute towards the relatively minor costs of keeping the option open.

On 13 December a meeting was convened to discuss the statement on the future of the *HS 146*. At the meeting were Mr Benn, Lord Beswick, Minister of State, and Mr Michael Meacher, Parliamentary Under-Secretary of State, Department of Industry, representatives of Hawker Siddeley management, officers of the Confederation of Shipbuilding and Engineering Unions and Hawker Siddeley factory shop stewards. The meeting agreed that studies of the situation would be made on a tripartite basis.

There was a debate on the *HS 146* project in the House of Commons on 12 December 1974 (*Hansard*, cols 970-80). Mr Meacher spoke of the changes in the world economy since the project was launched, as a result of which the market for this type of aircraft had been put back. If the contract had gone ahead, the Government's contribution – originally £40 million at 1972 prices – would have risen to some £54 million at 1974 prices. The increase in costs had also increased the level of sales needed to recover costs and, coupled with the slower growth of the market, had put back the break-even point considerably. Many of the areas in the world where the *HS 146* would have been sold had suffered as a result of the oil crisis. The Government felt that it could not justify incurring considerable additional expenditure when the market had deteriorated in such a way. Mr Meacher said that he expected that there would be a review of the possibility of restarting the project around the middle of 1976.

The civil and military aviation commitments still being undertaken by Hawker Siddeley include *Tridents*, *HS 748* civil and military aircraft, *HS 125* executive jets, *Harrier* V/STOL fighters, *Buccaneer* fighters, *Hawk* trainer aircraft and *Nimrod* maritime reconnaissance aircraft, in addition to the company's participation in the *A300* European Airbus. Although the *Trident* line is to be run down, it is expected that *Trident* work will continue at approximately the current rate until at least early 1976 and possibly longer if further orders are obtained.

Rolls-Royce RB 211-524 Engine

The Government's decision to support the production of the more powerful version of the Rolls-Royce (1971) Ltd *RB 211* aero engine, the *RB 211-524*, was made known in September (see p 392, 1974). In a written answer to a parliamentary question on 5 December 1974 (*Hansard*, written answers, cols

621-2) Mr Benn gave further details of this support. He said that the estimated total launch cost for the more powerful engine, to be used in the Lockheed *TriStar* airliner, was £45 million at 1973 prices. The Government would make agreed phased contributions up to 1978, bringing the total of direct Government support to £26·3 million, but the payments for 1976 and subsequent years would be subject to increases based on rising costs after 1975. Government contributions were recoverable by a levy on engine sales. Further developments of the *RB 211-524* for use in the Boeing *747* would receive Government support when a further major order was obtained in addition to that from British Airways.

Two leading engineers concerned with the development of the *RB 211* engine have forecast that the latest version of the engine will be developed to thrusts well beyond 50,000 lb, with a considerable reduction in specific fuel consumption.

THE BURMAH OIL COMPANY

On 31 December 1974 the Secretary of State for Energy, Mr Eric Varley, issued a statement on the announcement by the Burmah Oil Company that arrangements had been agreed with the Bank of England to provide the company with temporary financial support during its present difficulties. Mr Varley said that the Bank had acted with the full knowledge and support of the Government in assisting 'this major British company operating internationally and with an important role in the development of North Sea oil'. While the Bank would look primarily to security provided by the company itself, Mr Varley said, the Government would provide a back-up guarantee to the Bank, subject to the necessary approval of Parliament; a statement would be made as soon as Parliament reassembled.

Burmah Oil is one of Britain's largest multinational businesses – sales net of duties in 1973 totalled almost £500 million – and is involved in the development of the Ninian and Thistle oilfields in the North Sea. The company's statement on 31 December said that it expected that the group's results for 1974 would produce only a small profit, the sharp downward revision of estimates for the year being largely the result of the tanker operations, which were expected to show a substantial loss. The company was thus unable fully to comply with certain provisions of loan agreements with bankers, under which foreign currency loans totalling $650 million had been advanced to the group for its overseas activities; it was seeking guarantees for its long-term dollar borrowings and also assistance for its sterling borrowings of £54 million loan stock. Following discussions with the Government, and the Bank of England, guarantees for both had been agreed. In return for the assistance the company was to make certain changes in its management and dispose of a number of major assets; financial advisers were being brought in to assist the financial management; and a full review of the tanker operations was to be undertaken. As security for the assistance provided, Burmah Oil's holdings in British Petroleum and Shell Transport and Trading would be made over to the Bank of England as collateral. The company would continue to own substantial interests in Britain and overseas and would pursue the development of its important North Sea interests, in particular the Ninian and Thistle fields, but it had accepted in principle that the State should take 51 per cent of the group's share in these fields, on terms to be negotiated. The company has already sold its wholly-owned subsidiary, the Great Plains Development Company of Canada Ltd, to Canadian Industrial Gas and Oil Ltd. All Burmah Oil stocks have been suspended on the Stock Exchange for the time being.

Although Government participation in Burmah Oil's North Sea interests is being negotiated as part of the arrangements and conditions for giving the company assistance, the Government has already announced its intention to seek to negotiate a 51 per cent participation in all North Sea fields. Discussions have been taking place between the oil companies and the Government in this connection (see p 475, 1974).

On 19 December 1974, Mr Varley outlined arrangements for ensuring the uninterrupted development of the Thistle oilfield in a written reply to a parliamentary question (*Hansard*, cols 572-3). He emphasised the importance to the national economy as a whole of bringing oil ashore from the United Kingdom Continental Shelf as early as possible. Because the difficulties being experienced by certain of the smaller licensees in raising resources to enter into commitment for their share of the development costs of the Thistle field, the Government was prepared to give an assurance, provided that the licensees undertook to enter immediately into the necessary contractual commitments. The Government had accordingly agreed that if two of the smaller licensees, Tricentrol North Sea Ltd or United Canso Oil and Gas (UK) Ltd, could not at any time meet their financing commitments it would take over the interest of the defaulting company or companies, meet the share of the future costs and take the appropriate share of the oil produced from the field. The contingent liability of the Government under this assurance could total up to £70 million over two years. Mr Varley said that he would be proposing powers in the forthcoming Petroleum Bill to cover this contingency.

Industrial Relations

TRADE UNION AND LABOUR RELATIONS (AMENDMENT) BILL

A Bill to amend the Trade Union and Labour Relations Act 1974 (see p 323, 1974) was given a second reading in the House of Commons on 3 December 1974 (*Hansard*, cols 1371-1484). The Bill repeals or amends almost all the provisions inserted in the Act during its passage through Parliament. These include provisions relating to: safeguards for workers against arbitrary exclusion or expulsion from a trade union, for which the Bill contains alternative provisions taking account of procedures of the Trades Union Congress (TUC) and individual unions; trade union rules; inducement of breach of commercial contract (which will no longer be actionable

in tort); industrial action in support of overseas trade disputes (which will no longer be treated as a dispute for the purposes of the Act); and unfair dismissal where there is a union membership agreement (or 'closed shop').

Debate on the Second Reading

Opening the second reading debate, the Secretary of State for Employment, Mr Michael Foot, said that the purpose of the present Bill was to accomplish the Government's original objectives in repealing the Industrial Relations Act 1971; and that the most useful purpose he could serve in his speech was not to try to cover all the details of each proposed amendment but to concentrate on the two aspects of the matter which had given rise to the widest discussion in recent weeks. These were, first, the safeguards against arbitrary exclusion or expulsion from trade unions and, second, the general questions touching upon the freedom of the Press and the effect which the Bill might have on the newspaper and communications industries.

One of the Government's intentions in its original Trade Union and Labour Relations Bill (see pp 159-61, 1974) was to remove the ban on closed shops which was incorporated in the 1971 Act. This was partly because Sir John Donaldson, President of the former National Industrial Relations Court (see p 323, 1974) had come to the conclusion that it was impossible to operate that part of the Act, and partly also because the Government did not want to perpetuate the likelihood of a clash between the law and industrial realities. Having reached this conclusion, the Government had always claimed that if it were to reinstitute the legality of the closed shop, it would be necessary to have some kind of further safeguard for individuals who had been dismissed from their jobs as a consequence of being expelled or having been refused admission to a union where trade union membership was a condition of employment; it had therefore decided, after discussions with the TUC General Council, that the most effective way of providing this safeguard would be for the TUC to set up an independent review committee to consider appeals.

Mr Foot stressed that only a proposal in which the TUC participated fully would be effective, and that the existence of such a review committee would assist in ensuring that the rules of individual unions were brought up to a very good standard and give individuals the chance of having their cases looked at independently. While it would be the clear responsibility of the individual union to carry out the recommendations of the review body, a voluntary method had the virtue that it was much more likely to work than a statutory one. The proposal was an important step in the direction of trying to ensure that in the operation of the closed shop injustices were not done to individuals.

Concerning freedom of the Press, Mr Foot referred to the fear of editors that they would be compelled to be members of a specified union under a union membership agreement and said that under the Bill they would not be any worse off in this respect than they were before 1971. The Government was neither encouraging nor forbidding people to form closed shops, because it believed that it would be an impossibility to do that if anybody so wished. If a clause were written into the Bill laying down that editors should be excluded from the closed shop provisions because of their managerial functions or for some other reason, quite a number of people in other professions, jobs, trades and industries would have a comparable right; this would soon effect the return of a situation of trying to settle by legal enactment matters which ought to be dealt with by intelligent negotiation.

Winding up the debate, the Minister of State, Department of Employment, Mr Albert Booth, said that it had inevitably been a continuation of the former debates on the Trade Union and Labour Relations Act (see pp 161 and 323, 1974); the alterations made to the Act during its passage through Parliament were such as to make it a much less effective measure than that put forward originally by the Government – not only on technical grounds, but also because the amendments imported a reliance on the law and the view that the most satisfactory way of dealing with several industrial relations problems was to spell out the rights of the parties and to enable them to take action. Underlying the Government's attitude to these amendments was the opinion that they would not work (a test applied by management and trade unions alike), since the Industrial Relations Act had often been largely ignored because a legal solution was inappropriate; when it had been used, it had often added to rather than reduced industrial relations problems.

Mr Booth explained some of the provisions of the Bill in greater detail. With regard to closed shops, he said it gave the necessary flexibility and scope to those who would determine whether there was a closed shop, so as to enable them to frame the terms of the membership agreement to meet the circumstances as they knew them, in the way that they judged the circumstances required. Concerning the proposed independent review committee, Mr Booth said that its independence would not depend on who initiated the appointments; rather, what was required was that its members should be independent to the extent that they would not be members of the particular trade union against which a complaint was made and not independent by virtue of a lack of experience or knowledge of trade unions.

Mr Booth concluded by emphasising that if Britain was to achieve better working conditions and a better industrial relations situation the Government must not only ensure protection of minimum rights by law, but also ensure that those who organised to protect investment and capital did so on a parity with the organisers of those who sold their labour; the Bill sought to achieve this and it was on this basis that he commended it to the House.

Opposition Views

The chief spokesman for the Opposition, Mr James Prior, welcomed the fact that the tribunal to be set up was to be independent to the extent that it would have an independent chairman, but expressed doubts about its capacity to safeguard the rights of the individual and its methods of enforcement. On the subject of the closed shop, Mr Prior accepted that in many instances it might be seen as a sensible thing by management and unions alike, but expressed concern over the way it conflicted with other

rights and freedoms. He thought the freedom of the Press had always been understood to be the freedom of editors and the freedom of journalists and contributors and this meant something more than independence of the Press from the Government. The Opposition did not wish to encourage a situation in which editors might be expected to show obeisance to union power in contrast to the independence they were expected to show in face of proprietors, political parties, advertisers and other pressure groups. While the attraction of the closed shop to journalists was obvious enough, in that they felt their bargaining power had been insufficient to secure the remuneration they thought they deserved, Mr Prior was reluctant to believe that the solution to this difficulty could be found only in a way which, apart from its other disadvantages, could be said to hit against the independence and judgment which was considered to be the essence of good journalism. The Opposition was asking that reasonable measures be taken to protect a freedom which had long been thought precious to the British way of life, and was sure that it could be done without prejudice to the legitimate interests of journalists themselves.

Mr Cyril Smith, spokesman for the Liberal Party, claimed that the majority of people were totally opposed to the closed shop principle, though he had always conceded that, to be practical, one had to accept a closed shop situation whether one liked it or not. He also expressed doubts about the independence of the proposed tribunal and said that, unless it had some sort of statutory power and was independently appointed, his party could not regard what was proposed as an acceptable solution to the problem. If the Government was prepared to grant this concession, which Liberals believed to be vital as a protection for the liberty of the individual, the Liberal Party would be prepared to concede on every other issue.

Regarding the freedom of the Press, Mr Smith believed that to create a closed shop, in which one union only dealt with the whole of the Press, created serious dangers for this freedom which his party could not accept. The concession of a statutory tribunal would not solve this problem, but it would help to ensure that a man could not be unreasonably expelled or excluded from a union.

INDUSTRIAL DISPUTES

The table below (based on information supplied by the International Labour Office) shows the number of days lost through industrial disputes per 1,000 persons employed in a number of countries, including the United Kingdom, in the last five years and averages over the past ten years (see also pp 512-14, 1973). The industries covered are in most cases mining, manufacturing, construction and transport; but as the definitions used for these statistics vary from country to country too much significance should not be attached to relatively small differences in the figures.

It can be seen that the United Kingdom record improved considerably in 1973. Countries which have normally lost more working days per 1,000 employees than the United Kingdom include the United States, Canada, Italy, India and Australia, while those with consistently better records than the UK include Belgium, Japan, the Netherlands, Sweden and the Federal Republic of Germany.

Days lost (per 1,000 people employed) through industrial disputes

	1969	1970	1971	1972	1973†	Average for 5 years 1964-1968	Average for 5 years 1969-1973	Average for 10 years 1964-1973
Australia*	860	1,040	1,300	840	1,030	406	1,014	710
Belgium	100	830‡	720	180	500	186	466	326
Canada	2,550	2,190‡	800	1,420	1,650	1,158	1,722	1,440
Denmark§	80	170	30	40	4,020	100	868	484
Finland	200	270‡	3,300‡	530	2,510	182	1,362	772
France	200	180‡	430	300‡	330	262 (*b*)	288	277 (*c*)
Federal Republic of Germany	20	10	330	—	40	6	80	43
India	1,270	1,440‡	1,020‡	1,300‡	(*a*)	868	1,257 (*d*)	1,041 (*e*)
Ireland	2,170	490	670	600‡	420	1,238	870	1,054
Italy	4,160	1,730	1,060	1,680	2,280	1,006	2,182	1,594
Japan	200	200	310	270	210	196	238	217
Netherlands	10	140	50	70	330	14	120	67
New Zealand	300	470	370	320	560	214	404	309
Norway	—	70	10	—	10	4	18	11
Sweden**	30	40	240	—	—	24	62	43
Switzerland	—	—	10	—	—	—	2	1
United Kingdom	520	740	1,190‡	2,160‡	570	230	1,036	633
United States‡‡	1,390	2,210	1,620‡	870	770	1,122	1,372	1,247

* Including electricity, and gas, excluding communication.
† Preliminary figures.
‡ Revised figures.
§ Manufacturing only.
** All industries included.
‡‡ Figures cover also electricity, gas and sanitary services.

(*a*) Figures not available.
(*b*) Average for 1964-67 only.
(*c*) Average for 1964-67 and 1969-73 only.
(*d*) Average for 1969-72 only.
(*e*) Average for 1964-72 only.
Note: Where no figure is given the number of days lost per 1,000 employed is less than 5.

Environmental Pollution

ROYAL COMMISSION'S FOURTH REPORT

The fourth report of the standing Royal Commission on Environmental Pollution,[1] published on 5 December and entitled *Pollution Control: Progress and Problems*, is the first since the commission was reconstituted in May 1973. It presents information obtained by the newly appointed commission during its first year in assessing the present state of the environment in Britain. This was done by discussions with the appropriate authorities, study of facts and figures and by visits to different parts of the country.

Chairman's Statement

In a statement on publication of the report, the chairman, Sir Brian Flowers,[2] remarked that the statistics of pollution abatement recorded some impressive advances. But the commission had found that pollution of air and water and dereliction of land persisted in some major industrial areas. It appeared that pollution on a large scale, from industry, for example, could be more readily controlled than the attitudes of mind of individual polluters.

In its survey the commission had, he said, covered many aspects of pollution. It had looked at the question of hazards to health from lead and from some other substances, and at the increasing problem of noise; at poliution problems arising from oil exploration, from pesticides and toxic chemicals and from agriculture. These inquiries had not been exhaustive; they had been designed to enable an assessment to be made of the extent of the problems and whether they had already received, or were now receiving, sufficient attention from other bodies.

The commission had now embarked upon two studies. The first related to radiological safety, with particular reference to the hazards that might arise in the future, given substantial growth in the use of nuclear power. This would be concerned with the problems posed by radioactive wastes and by the transport and storage of nuclear materials, and with the question of reactor safety and siting. The commission's decision to undertake this study did not imply an awareness of deficiency in existing safeguards and procedures. Rather it reflected the commission's view that the expected development of nuclear power raised issues which should receive wider public consideration. There were some who held that the hazards for the future associated with widespread growth in the use of nuclear power were such that mankind should turn its back on this development. The commission was not of this mind and knew that many informed people saw no alternative to the use of nuclear power if energy needs were to be met. But the commission believed that open examination of all these issues would be worth while at a time when major decisions about the expansion of nuclear power were being taken.

The second study, undertaken at the request of the Secretary of State for the Environment, was of the efficacy of methods for controlling air pollution from industrial and domestic sources. There was no question that the existing arrangements for dealing with air pollution in Britain had led to substantial improvement. Nevertheless, there were areas where air pollution was still a considerable problem. The study raised in a particular form a general issue which concerned the commission, namely the interaction between national and local interests with regard to pollution control and the problem of establishing machinery to try to ensure a proper balance between them.

Finally, the chairman mentioned findings on a study of training and manpower requirements for pollution control which had been initiated, but not completed, by the commission during Lord Ashby's chairmanship. The commission felt unable to continue with this study, important though it believed the subject to be, and the commission was obliged to draw its conclusions on the limited evidence taken by its predecessors. The findings were correspondingly limited and tentative, but it was hoped they would be useful to the Government and other agencies concerned with arrangements for controlling pollution.

Main Conclusions

The commission's main conclusions, which take into account those of the commission under Lord Ashby's chairmanship in its first report (see p 131, 1971), are summarised below.

Problems Identified in First Report

There were six problems identified in the first report requiring further attention. One of them, pollution of estuaries, had been the subject of a major study by the commission and had been dealt with in its third report (see p 436, 1972). The main recommendations in that report that called for action by the Government had been incorporated in the Control of Pollution Act (see p 282, 1974).

The commission gave some thought to whether, in the present financial climate, there would be virtue in concentrating available resources to some extent on a particular estuary. To bring about an early and dramatic improvement in the condition of one of the grossly polluted estuaries would be very valuable in providing an example of what could be achieved. The Tyne estuary, where the major source of pollution was sewage, might qualify for such priority treatment; work on intercepting sewers and treatment works had started and could be completed within a few years; and much was already being done through reclamation and landscaping to make the banks of the estuary attractive. The Department of the Environment (DOE) had been invited to consider the matter further with the water authorities.

Economic Considerations

Much importance was attached in the third report to the need for economic studies in order to provide a basis for decision-making about pollution and its abatement. The commission regarded existing

[1] *Royal Commission on Environmental Pollution. Fourth Report. Pollution Control: Progress and Problems.* Cmnd 5780. HMSO, £1·10. ISBN 0 10 157800 8.

[2] Sir Brian Flowers has recently been elected president of the European Science Foundation (see p 455, 1973).

information as seriously deficient and recommended that the Government should take steps to improve the situation.

The Department of the Environment had recently been paying increased attention to the economics of pollution and had commissioned a number of studies at universities during the last two years. These had concentrated on specific topics, mainly concerned with water pollution. The commission hoped that efforts would be continued to expand the numbers of economists working on these problems.

Monitoring

Monitoring of pollutants in the environment was essential to provide the factual basis for decisions on standards and controls. In previous reports, the commission had drawn attention to the need for careful design of monitoring systems and for uniformity of techniques and units of measurement, preferably agreed on an international basis. The commission therefore welcomed the report on monitoring[1] published by the DOE Central Unit on Environmental Pollution earlier in 1974, which should lead to the development of a comprehensive, unified and flexible system. Critical appraisal of the monitoring scheme was needed. Collecting data at random could be very costly indeed and not necessarily useful. A valuable discipline was to attempt to formulate some of the questions which the measurements yielded by the scheme were required to answer. Statistics appeared to be lacking or misleading in regard to volumes of toxic or dangerous wastes, the true acreage of derelict land and the extent to which major rivers were polluted.

Pesticides and Other Biocides

It appeared that the present system of voluntary control over agricultural and horticultural usage had been effective in bringing about a substantial reduction in the use of the more persistent organo-chlorine pesticides. However, the position on the non-agricultural usage of pesticides was less satisfactory. The commission welcomed the DOE survey of this problem[2] and, arising from this, hoped to see the introduction of appropriate control arrangements and codes of practice.

Radioactive Waste

The disposal of radioactive waste was identified in the first report as a matter that called for inquiry, bearing in mind that Britain among others was moving into an era of greatly increased use of nuclear energy for generating electrical power. As the chairman said in his statement the commission had decided that this was an appropriate field to investigate.

The commission would consider the organisation for radiological safety in Britain with particular reference to the disposal of radioactive waste materials, especially the products of fuel element reprocessing; the transport and storage of nuclear materials, especially plutonium, which was potentially extremely dangerous because of its radiotoxicity; and the environmental consequences of hypothetical reactor accidents and the criteria proposed for siting nuclear installations.

Noise

In its report,[1] the Noise Advisory Council Panel had foreseen the possibility, given expected growth in the volume of traffic, that by 1980 some 29 million people in urban populations could be exposed to residential noise levels above the accepted limit. The panel saw a partial solution to the problem through recognition of the need to take noise into account in road planning and in traffic management schemes, but noted that necessary steps to quieten vehicles were likely to be inhibited by the need for general European Community agreement. The commission strongly supported the panel's suggestion that Britain should urge reductions in noise limits currently specified in the Community directive.

Toxic Chemicals

Extensive arrangments already existed in Government and industry for screening new products from the viewpoint of their possible hazard to health, safety or the environment. The use of chemicals in food, drugs and water supplies and for certain agricultural, industrial and domestic purposes was subject to supervision and often control by Government departments through arrangements that harnessed both official expertise and independent advice. New legislation provided a comprehenisve frame-work of controls over discharges and emissions, including the disposal of toxic wastes. Moreover, under the Control of Pollution Act, the Secretary of State for the Environment had reserve powers to take action to deal with any hazardous substance that might escape the screening procedures.

The protection of the environment against possible hazards from new chemicals was essentially an international problem, and the commission welcomed the consideration given to it within the Organisation for Economic Co-operation and Development and other international bodies and to which the DOE and the Department of Industry were contributing. Nevertheless, the commission was conscious on the one hand of the pace of technological advance, the rapidity with which these advances were exploited in the development of new products, and the scale of their manufacture; and on the other hand, that the effects of some substances on the environment might be extremely subtle, indirect and long-term in character, so that potential hazards might be undetected until serious damage had been done. A particular example was the possible hazards to the ozone layer from freons.[3] Some risks were inevitable if mankind were to benefit from technological innovation, but there was need for great caution before new substances were introduced into the environment on a massive scale and this should be reflected in thorough scientific assessments in order

[1] *The Monitoring of the Environment in the United Kingdom.* Pollution Paper No 1. 1974. HMSO, 50p. ISBN 0 11 750719 9.

[2] *The Non-agricultural uses of Pesticides in Great Britain.* Pollution Paper No 3. 1974. HMSO, 65p. ISBN 0 11 750849 7.

[1] *Noise in the Next Ten Years.* 1974. HMSO, 20p. ISBN 0 11 750716 4.

[3] Group of halogenated hydrocarbons containing one or more fluorine atoms, widely used as refrigerants or aerosol propellants.

to minimise the risks. Specific inquiries would be made about the freon problem.

Offshore Oil Exploration

The environmental implications of oil exploration at sea, especially with regard to oil pollution, were a matter of concern. Accordingly, informal discussions on the matter had been held with officials of the Department of Energy and with one of the oil companies, and an oil exploration rig in the North Sea and a production platform yard had been visited. The safeguards that were being taken against the risk of oil pollution and arrangements made to deal with accidental spills were necessary. Because of the arrangements for landing oil from the North Sea, the risk of serious pollution was likely to be concentrated in the area of the Shetlands where there was a hazard to wildlife, particularly to the very large number of sea birds, and where the difficulties of applying clean-up measures would be greatest. There was a need for great care and vigilance in landing operations, and exceptional precautions against accidents should be considered. Because of the great increase in the cost of oil, such precautions were likely to be justified on economic as well as environmental grounds.

From inquiries about the pollution hazard arising from offshore oil the commission concluded that there was no need at present to pursue the matter further. A detailed examination was now being undertaken by the Central Unit on Environmental Pollution within DOE in conjunction with other departments concerned.

Organisational Issues

Thought had been given to general questions of organisation for pollution control, and especially to the question whether control should be exercised centrally or locally. Central control appeared essential when the hazards involved were potentially so serious as to call for very strict and uniform controls. For example, the need for central control in relation to radiological hazards was fully accepted. In other areas, where pollution raised technical issues of a highly specialised nature, it would be easier to ensure that the necessary expertise was available with centralised organisation. On the other hand, it might be argued that the abatement of pollution generally raised issues which required for their rational resolution the balancing of one set of local interests against another. This suggested that wherever possible pollution control should be a local responsibility; this need not preclude support from central bodies which could issue guidelines or specify standards as appropriate and be available to give expert assistance and advice in particularly difficult cases.

Other factors would affect the balance between local and central pollution control. Increasingly strict controls would be needed to deal with pollution, and their application to secure the best solutions from an environmental point of view might call for a more comprehensive approach than was feasible under present arrangements. For example, the emission of sulphur dioxide from a power station might be greatly reduced by installing scrubbing equipment, but this could result in the discharge of acid effluent to a river. There was a choice, but it was not clear that co-ordination between existing organisations could be relied upon to ensure that the best choice was made.

There was another reason for supposing that there might be a need for more comprehensive local expertise on pollution matters. Some consideration had been given to pollution problems in relation to planning. The Planning Acts imposed upon local authorities the responsibility for planning administration, including the control of development. In preparing development plans local authorities were required to take account of their environmental effects. Proposals to undertake the development of a power station, a refinery, a petrochemical plant, a steel plant, or a combination of such projects, created pollution hazards which were very specialised and complex as well as being highly sensitive to public reaction. Although local authorities could turn to various bodies for advice, it might be difficult for them to obtain advice that adequately took account of local circumstances, such as topography and climatic conditions.

One issue, that of central or local control, was emphasised by present arrangements for the control of air pollution, where responsibility was divided between Alkali and Clean Air Inspectorates and public health inspectors acting within local authorities. At the invitation of the Secretary of State the commission would undertake a review of these arrangements. The terms of reference of the review, which was now in progress, were as follows: 'To review the efficacy of methods of control of air pollution from domestic and industrial sources, to consider the relationship between the relevant authorities and to make recommendations.'

SOCIAL AND CULTURAL AFFAIRS

Population Census in 1976

The next census of population in Great Britain will be taken in 1976. The Secretary of State for Social Services, Mrs Barbara Castle, announced in the House of Commons (*Hansard*, 20.12.74, written answers, col 739) that 'the Government has decided that, in view of the pressing need in the latter part of this decade for comprehensive and up-to-date information on which to base decisions over a wide range of social and economic policies at both national and local level, a census of population will be taken in 1976. A draft Order in Council directing that the census be taken and prescribing the date and the particulars to be stated in the returns will be laid before Parliament early in 1975. A White Paper will also be published outlining the topics proposed for the census and the general arrangements.'

The census is expected to cost some £21 million at 1974 prices. Censuses are normally held every ten years, the last having taken place in 1971 (see p 219, 1971). However, a 10 per cent sample census was taken in 1966.

Social Trends

Social Trends No. 5 was published on 12 December 1974.[1] This latest edition of an annual publication of the Central Statistical Office bringing together the more significant statistical series relating to social policies and conditions contains 215 tables, of which 72 are new series, in addition to a number of charts and five new analytical articles. Fifty-three of the tables in *Social Trends No. 4* have been dropped. Many of the additional tables are in new sections on children and the elderly, which introduce a new principle of analysis by groups of people in contrast to the other sections on different functions and activities.

Men and Women

The leading article is a social commentary by the Central Statistical Office itself on some aspects of the different patterns of living of men and women. The article calls attention to the major demographic and social changes which have revolutionised the lives of women during the present century. It lists these as the preponderance of men in the marriageable age groups, the greater control parents now have over planning their families and a very marked increase in the employment of married women.

The article draws contrasting pen pictures of the lives of a woman marrying at the end of the last century and a woman marrying today. The former would probably have been in her middle twenties, and in the next 15 years could have borne seven or eight children, of whom four or five would have survived to the age of five. By the time the youngest was 15, she would have been in her early fifties. Subsequently she could have expected to live a further 20 years. If previously employed, she would probably have stopped working on marriage, to raise the children and to do housework.

Today, a woman marries younger and has fewer children. The youngest child will probably be 15 before she is 45. She can then expect to live a further 35 years. Most women today are employed before they marry, and continue working until the birth of their first child. Household chores are eased by washing machines, vacuum cleaners, refrigerators and central heating. Convenience foods save much of the time previously spent preparing and cooking meals.

Such changes have led to a new relationship in marriage, with the husband accepting a greater share of the burden and satisfactions of family life, and with both partners sharing more equally in financing and running the home according to their respective capacities and interests. In addition, there have in recent years been a number of legislative and other changes to point the way to a recognition of the more equal roles of men and women in marriage.

Nevertheless, many differences still remain in legal and administrative rights and in traditional attitudes which keep women in subordinate roles and which lead to different patterns of life only indirectly relating to biological differences. Children learn from these attitudes to think differently about the roles men and women should play in society. Differences in educational training combined with women's special role as child bearers and, at least under present social conditions, as home makers, mean that they tend to occupy the less skilled, less responsible and lower-paid jobs. Thus, though the respective roles of Britain's men and women, both in the home and at work, have been substantially modified during this century, they have not been fundamentally changed.

The article also notes differences in marriage and life expectancy (women marry younger and live

[1] HMSO, £3·30. ISBN 0 11 630128 7 *.

longer), in leisure patterns (fewer women follow outdoor pursuits), and in crime patterns (very few women are convicted for the most serious indictable offences).

Other articles

The second article in the volume, 'Social Security: The European Experiment', has been written by two members of the staff of the European Commission, Edward James and André Laurent. The third and fourth articles are by non-governmental experts and are concerned with the use of the time dimension in planning studies. 'Time Budgets' by D. M. Hedges of Social and Community Planning Research, concentrates on historical background and methodology. 'Time Budgets and Models of Urban Activity Patterns' by Nicholas Bullock, Peter Dickens, Mary Shapcott and Philip Steadman of the Cambridge University School of Architecture, seeks to establish a framework witnin which time as a dimension may be introduced to urban studies. The concluding article, 'Road Traffic and the Environment', is by the Department of the Environment.

Developments in the Arts

Some recent developments in the arts are summarised below. They include the publication of the Arts Council's annual report, the award of a supplementary grant to the Arts Council, the publication of the first annual report of the British Library and the establishment of an inquiry into the arts by the Calouste Gulbenkian Foundation.

ARTS COUNCIL'S ANNUAL REPORT

The annual report and accounts for 1973-74 of the Arts Council of Great Britain was published in December.[1] The first section contains the Secretary General's report and there are also accounts of activities from the Scottish and the Welsh Arts Councils.

In the introduction the Secretary General says that of the £17·1 million in grants that the council received from the Government, £15·6 million went in grants to some 1,525 organisations and individuals in Great Britain. The rest was spent on the council's own promotions and in other forms of direct expenditure.

Geographical Distribution

The Scottish and Welsh Arts Councils received £2·2 million and £1·6 million respectively. In England £4·7 million went to London and £7·8 million to the regions, including £1·4 million for the Regional Arts Associations. In England an additional £1·9 million went in subsidy and other expenditure which cannot be categorised geographically, including the council's central administration costs of £682,000. This distribution cannot be exact, says the report as, for example, £1·3 million was spent under the Housing the Arts scheme, which is operated on a 'Great Britain' basis, in grants to building projects in England, Scotland and Wales. Similarly over £800,000 was spent on DALTA (formerly the independent Dramatic and Lyric Theatres Association) which is operated by the council and finances touring by, for example, theatre companies, orchestras, opera and ballet companies.

Music, Drama, Visual Arts and Literature

More than £1 million went in grants to orchestras throughout the country while over £46,000 was given to assist 14 music festivals.

The council's Contemporary Music Network entered its third year. The plan behind the network is to repeat performances of contemporary music in centres throughout Britain, and in its first two years the scheme was experimental. Its success led to considerable expansion for its third year and in 1973-74 some 70 performances were given in cooperation with Regional Arts Associations and the Scottish and Welsh Arts Councils.

The council gave support to 57 companies operating in their own theatres, 11 in London and 46 in the regions. The report states that the eventual aim is for all regional companies to reach a financial position which would enable them to offer conditions of work and a service to the public of the highest standard that they could sustain within the resources available and the needs of the area they serve.

Additional financial assistance has been given to companies promoting new plays. Bursaries and commissions have been made available to playwrights themselves and there is a scheme whereby these writers are assured of a minimum royalty payment of £250 for a full-length play regardless of the size of the theatre in which it is presented.

Some 60 galleries and exhibiting bodies were offered grants and guarantees and 25 new exhibitions were arranged. Apart from exhibitions at the Arts Council's own galleries in London (the Hayward and the Serpentine Galleries), 38 Arts Council exhibitions were shown at regional centres throughout the country. Other activities to receive increased support from the council included photography and art films.

The council spent some £146,000 on literature. The New Fiction Society was started which offers its members specially selected new fiction and is designed to promote the sales of good fiction and encourage talented new authors.

The council has agreed in principle to the establishment of a fund from which grants could be made to persons or companies planning to set up bookshops or book outlets in areas of population where inadequate or no provision at present exists.

Regional Arts Associations

The report says that the council has in recent years taken a lead in the financing of Regional Arts Associations but that this has led to a serious imbalance between the money the associations receive from central and local, including local authority, sources. There are strong economic arguments, says the report, in favour of local authorities channelling part of their support for the arts to the Regional Arts Associations.

[1] *The Arts Council of Great Britain, Twenty-ninth annual report and accounts 1973–74.* Available from the Publications Office, The Arts Council of Great Britain, 105 Piccadilly, London W1V 0AU. 75p. ISBN 0 7287 0036 0.

Arts Centres and Community Arts

There are a large number of arts centres throughout the country, varying considerably in the facilities they provide and the policies they pursue. Only a few of these, says the report, are directly aided by the council. Different criteria must be used in assessing arts centre projects for the purpose of making grants and the regional committee of the Arts Council has set up an Arts Centres Working Group to advise it.

The council is also co-operating in four experiments which have been sponsored by the Department of the Environment, the Department of Education and Science, and the Scottish and Welsh Offices. These two-year experiments have been started in four selected areas with a view to developing a range of leisure activities as part of the general programme of research into methods of improving the quality of life locally.

The report states that the council has also given considerable thought to the subject of community arts and has accepted in principle the report of the Community Arts Working Party (see p 451, 1974).

The Arts Council opened a shop in London during 1973 to sell its publications and those of its subsidised organisations as well as books on the arts with which the council is concerned.

Scotland

During 1973-74 the Scottish Arts Council received over 550 applications and gave some 400 grants. A total of £61,000 was given to individual artists.

Three major reports were completed and two further studies initiated. The council's working party on ballet and dance examined the need for, and provision of, ballet and dance in Scotland. A subcommittee of the music committee reviewed developments in the use and provision of orchestral resources in Scotland since 1970 and a special report was produced on ways in which the council might assist more young people to enjoy the arts. The council also initiated a research project on publishing and bookselling and set up a Regional Development Inquiry which it is hoped will bring the council and local government into a closer working relationship.

Among developments sponsored by the Scottish Arts Council during the year was the establishment of an artists' register designed to promote the work of artists working in Scotland. The council has leased a building in Edinburgh to be used for temporary exhibitions and a new arts centre is due to open in Glasgow in 1975.

Wales

The Welsh Arts Council reports that following the reorganisation of local government most of the new county councils and district councils have set up committees with responsibilities for recreation and leisure. The council hopes that this will lead to increased local authority expenditure on the arts to match the contribution of central funds.

During the year the exhibition section of the council's art department arranged 50 showings of 18 Welsh Arts Council exhibitions. One exhibition on contemporary jewellery was shown in four cities in Great Britain and seen by over 100,000 people.

A new gallery for the council was opened in Cardiff. This is intended to provide not only a centre for the display of works by contemporary Welsh artists but an information service on arts events in Wales and an artists' register containing information on work by artists associated with Wales.

The English language unit of the Welsh Theatre Company was linked to the Welsh National Opera to form the Welsh National Opera and Drama Company. Another unit of the Welsh Theatre Company, Cwmni Theatr Cymru, has developed a touring network for Welsh performances and has become a fully independent organisation with its own board of management.

Two projects have been realised in dance with the establishment of a new mixed-media company called Moving Being and of a Welsh Dance Theatre to provide a contemporary dance company for Wales.

The report mentions the opening of an arts centre based on Coleg Harlech, an adult education college in one of the most sparsely populated regions of Wales.

The literature committee of the council allocated over £89,000 to Welsh writers and publishers, a sum, says the report, fully justified by the existence in Wales of two literatures. The literature committee's policies for the support of writers was extended when the Welsh Arts Council agreed to establish, in association with the University of Wales, an International Writers Prize worth £1,000. Another development was the opening of a bookshop in Cardiff by the council.

During 1973-74 the council offered £300,000 to the Welsh National Opera Company, allocated £115,000 for the music committee's expenditure and a further £29,000 was provided for music festivals.

ADDITIONAL FUNDS FOR THE ARTS COUNCIL

The Government has presented to Parliament a supplementary estimate for the Arts Council of Great Britain of £1·75 million for the year 1974-75. This would bring the council's total recurrent grant for the year to £20·8 million.

BRITISH LIBRARY ANNUAL REPORT

The first annual report of the British Library was published in December.[1]

The British Library was established under the British Library Act 1972 and began to operate in July 1973. The library has three main divisions, Reference, Lending and Bibliographic Services. There is a Central Administration Branch and a separate Research and Development Department.

The Reference Division

The Reference Division acquisitions grew in 1973-74 by about 7 per cent, says the report, reflecting the growth in the output of world literature. In the Department of Printed Books alone the annual intake requires nearly two miles of shelving. The report says that there is a shortage of space for new

[1] *The British Library, First Annual Report 1973–74.* The British Library. 25p. ISBN 0 904654 00 1.

acquisitions and staff which can only be resolved by the provision of a new building.[1]

A working party has been set up to decide on measures of conservation for those of the library's books which require it.

The Lending Division

The main event was the move of the National Central Library (NCL) from London to join the National Lending Library for Science and Technology (NLLST) at Boston Spa in Yorkshire. The NLLST had dealt mainly with periodicals and with science and technology while the NCL had been more concerned with monographs and with the humanities and the social sciences.

Within the year over 1·8 million requests were received. It is estimated that the Lending Division is now dealing with about three-quarters of all inter-library loan traffic in Britain. In addition to demand from British libraries, the Lending Division received 160,000 requests from overseas during the year. Following negotiations, arrangements were agreed whereby the Lending Division was given access by photocopy or by loan to the resources of certain libraries which had not previously co-operated to any extent in inter-lending.

A new building was opened in two stages in 1972 and 1973 as a result of which space was provided for an additional 36 miles of shelving.

Research and Development Department

In April 1974 most of the functions of the Office of Scientific and Technical Information were transferred from the Department of Education and Science to the British Library to form the nucleus of the Research and Development Department. The department promotes and supports research and development related to library and information activities in all subjects.

Assistance to Other Libraries

The British Library has the power to contribute to the expenses of other libraries and the board of the library is considering how this function can be used to best advantage. Since April 1974 grants have been made to enable important cataloguing projects to be carried out at four libraries.

Public Relations

A Press and Information Section was formed in 1974 within the Central Administration Branch, to foster press and public relations and to secure publicity for the British Library and its public services through all available channels. The section is also concerned with publications and exhibitions.

Receipts and Payments

A summary of the receipts and payments for the first operational nine months of the year ending March 1974 shows that the British Library received a grant-in-aid of £6·2 million and other receipts totalling £665,000. Of payments made, £1·3 million was for the purchase of books and periodicals.

[1] In December the Minister for the Arts, Mr Hugh Jenkins, announced that a possible site for the building of the new British Library was being examined in detail by the Government and the library.

MAJOR INQUIRY INTO THE ARTS

An inquiry into the arts in England and Wales by the Calouste Gulbenkian Foundation was announced in December. The inquiry is to be undertaken by Lord Redcliffe-Maud. It is intended that he will study the future pattern of national, regional and local patronage of the arts in England and Wales, including the work of regional arts associations and the role of local authorities. The foundation hopes to publish Lord Redcliffe-Maud's report and recommendations in 1976.

British Council

ANNUAL REPORT

In 1973-74 the British Council spent some £20·7 million in promoting knowledge of Britain and the English language overseas and in developing cultural relations with other countries. Of this, nearly £19.2 million was financed by Government grants and the remainder from British Council earnings and donations. In addition the council administered the expenditure – mainly on behalf of the Ministry of Overseas Development (ODM) – of approximately £12·5 million on educational aid to developing countries. Details of the council's operations financed by these funds in 1973-74 are contained in its annual report[1] published in December 1974. The report also contains a review of current developments in the council's educational work.

The Council's Educational Role

The council's commitment to educational advancement in the developing countries has increased substantially in recent years. In particular, since 1970 the council has progressively assumed, under the ODM's policy guidance, responsibility for the administration of British educational aid (except capital assistance) and of the technical assistance training programme; while abroad the council's overseas representatives have become established as the local education advisers to British Government diplomatic missions. In discharging these new responsibilities, the council has had to acquire additional skills and new forms of expertise, and also become more sensitive both to the development potential of education and the evolving character of educational aid. To achieve this, the council has over the past four years invested substantially in providing training for its staff in education, development and the complex relationship between the two. In addition, in 1973 it established an Education Liaison Unit to assist its overseas representatives in their analysis and diagnosis of the local situation, to keep them abreast of current thinking on educational strategies, and to provide information about British resources.

More recently, the council's capacity to respond to the varying educational needs of the developing countries has been increased as a result of its amalgamation with the Centre for Educational

[1] *The British Council 1973–74.* HMSO, 25p. ISBN 0 900229 18 7.

Development Overseas (CEDO – a body established in 1970 to assist developing countries modernise their educational methods and techniques – see pp 435-6, 1970) on 1 April 1974. This has led to a remodelling and enlargement of the council's Education and Science Division to provide a flexible, diversified and professionally powerful instrument to support the work of the council's representatives overseas in meeting the challenges of educational development in the next five years and beyond. The heart of the division is a unified education and science information service, which underpins groups of specialist officers concerned with teacher education, science and mathematics education, examinations and related curriculum matters, further education, non-formal education, the sciences and technology. In addition, it has an educational technology component based on radio and television studies and workshop facilities with resources for advisory work and training in communication media, in educational broadcasting and in the application of audio-visual techniques in formal and non-formal teaching situations.

This strengthening of the council's educational capability at headquarters has not only made it better equipped to tap the vast reservoir of British educational resources at the right point, but has given it the capacity to operate in its own right where its involvements are particularly heavy. It can now build its own teams with a variable mix of professional skills and resources to match individual consultancies or training exercises.

Educational Work in 1973-74

The report recorded a continued demand from overseas for information about British educational thought and practice, and to meet this the council substantially expanded its information services by the introduction of packaged materials, the production of articles and pamphlets dealing with a wide range of educational topics and the organisation of seminars for educationists visiting Britain. Subjects which attracted special interest included changing patterns of teacher education, new approaches to primary education and the establishment of teachers' centres. There was also considerable interest in the Open University on which the council prepared a comprehensive study kit and organised a two-week specialist course for 70 participants from all over the world.

At the end of 1973 there were some 745 teachers recruited or seconded by the council serving abroad in universities, training colleges and schools, or in advisory posts with ministries of education. Of these, over two-thirds (506) were concerned with English language teaching. The council also acted as the overseas administrative agency for about 1,200 volunteers serving in developing countries under the British Volunteer Programme and sponsored some 890 tours and advisory visits abroad by specialists in a wide variety of subjects. Overseas students and visitors to Britain assisted by the council numbered some 27,850, of whom some 20,840 came under the council's own schemes. (The report also recorded that the total number of overseas students in Britain in 1972-73, the latest year for which figures are available, was 82,800, an increase of 3,000 over the previous year.) Hostel places provided under the council-administered Overseas Student Welfare Expansion Programme increased by 400 in 1973, bringing the total number of places provided since the scheme began in 1961 to over 6,000 (including 900 for married couples and 500 for children). Proposals for a further expansion under the scheme are currently under consideration by the British Government.

English Language Teaching

A major development in the English language teaching field in 1973-74 was the ODM's agreement, following recommendations in 1971, to provide £400,000 over three years to enable the council, in partnership with the ODM and the BBC, to produce a new series of teacher-training films and five series of radio programmes, together with supporting printed materials. Included in this project are programmes designed to teach English for special purposes, reflecting the council's deep interest in the growing demand for special English courses with a professional bias.

In the developing world, the demand for support for the teaching of both general and special-purpose English continued to be high, particularly in Latin America, South Asia and the Far East, and also in Francophone Africa where large numbers of British teachers of English were needed to replace French teachers of English who were being withdrawn. In Commonwealth Africa the council's English teaching activities were centred on the formal school system and drew heavily upon the resources of the Aid for Commonwealth English (ACE) scheme, now in its twelfth year (see p 34, 1974).

Support for the teaching of English in Europe continued to grow, and the creation of new specialist posts in the Netherlands, France and Poland increased the council's capacity to offer a wide range of services. These include the establishment and development of resource centres (now a key feature of many council English language teaching operations) in six European countries; the encouragment of experimental language teaching projects such as the visit of the English Teaching Theatre to Germany and Norway; and support for the University of York project to produce materials for English teachers in European schools.

Libraries and Books

The distribution of British books overseas is an important aspect of the council's work in promoting a wider knowledge of Britain and of the English language abroad, and to this end the council maintains 37 libraries (17 jointly with the British Information Services) in 69 countries, and is associated with another 35. Between them, the libraries lend some 6 million books annually. During the year over 217,300 books were supplied to these libraries by the council, while a further 141,900 were presented to universities, colleges, schools and similar organisations overseas. New libraries were opened in Botswana and Zambia, while others in Dubai, Bahrain, Egypt, Austria and Pakistan were moved into new premises.

The council's responsibility for book aid to developing countries under the British aid programme

was further expanded during the year when it took over responsibility from the Central Office of Information for the Low Priced Books Scheme. This scheme, established in 1959, subsidises British publishers so that they can produce paperback versions of selected standard text-books under the imprint of the English Language Book Society for sale overseas at normally one-third of the ordinary price. Since it began, over 11 million books have been sold under the scheme in 80 countries and the number of titles has risen to 640 (40 being added in 1973-74).

Book and periodical exhibitions organised by the council in 1973-74 numbered 259 and took place in over 70 countries. Almost all the 109,100 books displayed at these exhibitions were provided free of charge by British publishers. Subjects covered included English language teaching, on which there were 33 exhibitions, children's books, librarianship, pollution and environment, recent developments in education, and medicine.

The Arts

During the year the council sponsored 43 drama and music tours by British orchestras, drama companies and artistes, including a visit to Brazil by the Royal Ballet Company, a tour of Latin America by the London Contemporary Dance Theatre, a tour of five eastern Mediterranean countries by the Prospect Theatre Company, and a visit to Switzerland by the Welsh National Opera. The council also helped arrange British contributions to three special celebrations: the Festival of Europalia, in Belgium, which in 1973 was devoted to the arts of Great Britain to demonstrate the cultural value of Britain's entry into the European Community, and for which the council was responsible in some degree for 12 of the exhibitions mounted; the opening of the Sydney Opera House for which the council participated in a joint Australian-British theatre exhibition; and the one hundred and fiftieth anniversary of the death of Lord Byron which was commemorated by an exhibition in Athens entitled 'Byron in Greece' arranged by the council in co-operation with the Benaki Museum.

Commonwealth Medical Conference

The fourth Commonwealth Medical Conference was held in Colombo, Sri Lanka, from 18 to 28 November 1974. The conference met under the chairmanship of the Minister of Health of Sri Lanka, Mr W. P. G. Ariyadasa, and was attended by delegations from 30 Commonwealth countries, most of them led by Ministers of Health, and by observers from the Commonwealth Foundation, the World Health Organisation, the International Planned Parenthood Federation and the Commonwealth Medical Association.

Discussions at the conference were centred on the theme 'Choosing Among Health Goals: The Allocation of Scarce Resources Among Unlimited Needs', and, within this, particular attention was paid to problems associated with health services in rural areas, family planning, the role of statistics in health planning, the impact of urbanisation, industrialisation and pollution on health services, and the training of health personnel. The conference also reviewed the progress made since the third Commonwealth Medical Conference, held in Mauritius in 1971 (see pp 616-17, 1971), and agreed on a number of practical measures for action at national, regional and pan-Commonwealth levels.

Health Services in Rural Areas

Most Commonwealth developing countries inherited health systems centred on large urban hospitals, but with some 80 per cent of their population living in rural areas the conference considered that the development of a health care system specifically designed for rural areas was of primary importance. This, it recommended, should be based on a team approach, the team to include a range of para-medical personnel and be led by a fully qualified doctor, and should form an integral part of rural development planning. It also called for the revision of medical school curricula to include special training for rural health work.

Impact of Urbanisation on Health Programmes

In considering the health problems arising from urbanisation and industrialisation, including that of environmental pollution, the conference felt that health considerations should be taken into account from the earliest stages of urban planning, and that there should be co-ordination between the Ministries of Health and other agencies concerned with such matters as education, water supply, agriculture, finance and economic planning if industrialisation was not to jeopardise health standards. More specifically, it recommended that each country should have a programme for increasing as rapidly as possible the number of homes provided with piped water and a safe waste disposal system; should make efforts to control the rate of urbanisation by greater attention to rural development, and counteract the spread of shanty towns through such measures as low-cost housing programmes; and should recognise the importance of educational, recreational and social needs in urban planning.

Family Planning

There was a consensus at the conference that family planning was an integral part of maternal and child health services, that it should be incorporated into the health programmes of Commonwealth countries, and that the importance of birth spacing in promoting the health and nutrition of mothers and children should be emphasised. In this context, it was recognised that each couple had a fundamental right to determine freely and responsibly the number and spacing of their children and that the knowledge and means required for the exercise of this right should be easily available and readily accessible. The conference also recognised the right of each government to decide its own population policy.

Commonwealth Co-operation

Recalling the resolve of Commonwealth heads of Government to make maximum use of Common-

wealth machinery to quicken the pace of social and economic development, the conference made a number of recommendations for action by the Commonwealth Secretariat. These included a review of existing training facilities in health service administration; an examination into the feasibility of establishing a Commonwealth staff college in health administration; the convening of a Commonwealth Study Group to advise governments on measures to alleviate the difficulties caused by the migration of qualified medical personnel; an examination of the present systems of collecting health statistics and the type of data collected; and a study of the feasibility of establishing a Commonwealth facility for the bulk purchase of drugs and other consumable medical items so as to ensure their availability at reasonable prices. The conference also requested the Secretariat to consider the possibility of setting up a Commonwealth Centre of Environmental Health Science. This, it suggested, should be sited in a developing country and staffed by experts in such specialities as engineering, public health, housing and planning. Its functions would comprise training, research, the provision of advisory services and the exchange of information. (For information on British medical aid to Commonwealth countries see *Commonwealth Medical Conference*, COI, Factel No 651, October 1974.)

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Northern Ireland Orders in Council. Three Orders in Council were approved by the House of Commons on 12 December 1974. These were:

The *Appropriation (No 2) (Northern Ireland) Order 1974* (*Hansard,* cols 913-15), which provides for the issue of £32 million from the Northern Ireland Consolidated Fund as an addition to the main Northern Ireland Estimates provision of £618 million for 1974-75 (thus bringing the total estimates for the year to £650 million) and for the appropriation of the additional amount to particular services. The *Financial Provisions (Northern Ireland) Order 1974* (*Hansard,* cols 915-16), which provides for an increase in the limits imposed on capital expenditure and Government lending in Northern Ireland, and also introduces a formula for the calculation of capital available to the Northern Ireland Civil Contingencies Fund. The *Youth Employment Service (Northern Ireland) Order 1974* (*Hansard,* cols 940-68), which provides for the transfer of the staff of the Youth Employment Service Board (which is to be dissolved) to the Department of Manpower Services and for the establishment of a Youth Careers Guidance Committee in order to achieve improvements in the facilities for career guidance and placement in employment available to young people in Northern Ireland.

The British Parliament. Supplement to COI reference pamphlet. R5448/74.

Scotland. COI, R5971/74.

Local Government. COI, FSB/B3.

Local Government in Greater London. COI, SN 5981.

Report of the Committee on Contempt of Court (the Phillimore Committee). The report contains a number of recommendations for the amendment of the law of contempt of court in Great Britain. The most important relate to the law as it particularly concerns the press, but there are a number of more technical recommendations relating to other aspects of the law. Cmnd 5794. HMSO, £1. ISBN 0 10 157940 3.

Turks and Caicos Islands. Proposals for Constitutional Advance. Report by the Constitutional Commissioner the Rt. Hon. the Earl of Oxford and Asquith, KCMG. HMSO, 22p. ISBN 0 11 591635 0. The report's main proposals include the replacement of the present State Council by Executive and Legislative Councils, both having a majority of elected members and the latter containing appointed members chosen on the basis of a new system. Departmental responsibilities would be assigned to elected members of the Executive Council.

External Affairs and Defence

Cyprus. Declaration and Statement by the Foreign Ministers of Greece, Turkey and the United Kingdom. Cmnd 5712. HMSO, 6p. ISBN 0 10 157120 8.

Economic and Scientific Affairs

European Communities. Agreement between the Member States of the European Coal and Steel Community and the Republic of Iceland. Cmnd 5806. HMSO, 14p. ISBN 0 10 158060 6.

Bulgaria. Agreement between the Government of the United Kingdom and the Government of the People's Republic of Bulgaria on the Development of Economic, Industrial, Scientific and Technological Co-operation (see p 217, 1974). Cmnd 5743. HMSO, 9p. ISBN 0 10 157430 4.

Inland Revenue. 117th report of the Commissioners for the year ended 31 March 1974. Cmnd 5804. HMSO, £1·10. ISBN 0 10 158040 1.

Customs and Excise. 65th report of the Commissioners for the year ended 31 March 1974. The report reviews the implications for the Customs and Excise of Britain's first full year as a member of the European Communities, with the resulting changes in tariffs and in customs procedures, and the introduction of value-added tax; outlines the year's activities, and gives statistics for the various customs and excise duties. Cmnd 5789. HMSO, £1·75. ISBN 0 10 157890 3.

Supervision of the Securities Market. Answers to questions contained in the Inquiry of the Department of Trade, June 1974. This is a report of the City Capital Markets Committee set up on the initiative of the Governor of the Bank of England after consultation with the main City of London associations and institutions whose members together constitute Britain's capital market. One of

the conclusions is that the arrangements which exist for the management and supervision of the British securities market are fundamentally successful in attaining the appropriate objectives. 'The worldwide reputation of the City of London is based on the efficiency of its systems and the integrity of those who operate them', the committee states. 'Relative freedom from statutory constraints and the great reliance placed on self-regulation are integral features of these systems.' City Capital Markets Committee, 21 Moorfields, London EC2P 2HT.

Annual Statistical Survey of the Electronics Industry. National Economic Development Office. Available from NEDO, Millbank Tower, Millbank, London SW1P 4QX. £1.

Seeking Company Information – two booklets, one (number 14A) dealing with United Kingdom sources and the other (number 14B) with international and foreign sources, published by the Department of Industry to provide information for smaller businesses. Free from Small Firms Division, Department of Industry, London SW1P 4LN, or from Small Firms Information Centres.

Concorde. Nine firm orders have been placed for *Concorde*, five by British Airways and four by Air France. Iranair is negotiating with the British Aircraft Corporation to convert its earlier letter of intent to purchase two aircraft into a firm order. It has also expressed interest in a third aircraft. There are no outstanding options involving payment of a deposit. Discussions between the manufacturers and a number of airlines are continuing. *Hansard*, 9.12.74, written answers, col 8.

Business rents. The Secretary of State for the Environment, Mr Anthony Crosland, announced that the freeze on business rents (see pp 479, 1972, 499, 1973) which restricts rents to the rent payable on 21 June 1974 on premises let on a business tenancy between 6 November 1972 and that date, is to end on 1 February 1975. The prescribed period of notice to sitting tenants will allow these rents to be increased to the contractual levels on 19 March 1975. Department of the Environment press notice, 19.12.74.

Counter-Inflation (Price Code) Order 1974. The new Price Code was published on 18 December. As a result of consultations between the Government and representatives of industry, commerce, trade unions and consumers, as well as the Price Commission, a number of modifications have been made to the proposals in the consultative document (see pp 473-4, 1974). The two main changes are, first, that the scope of the investment relief is extended to capital expenditure on the construction of warehouses and to payments under hire purchase, credit sale and conditional sale agreements and under leasing agreements where the lease is for more than two years; and secondly that the safeguard for distributors is to be raised to 80 per cent of net profit margin reference levels. HMSO, 34p. ISBN 0 11 042113 2.

Sugar Prices. The Minister of State, Department of Prices and Consumer Protection, Mr Alan Williams, announced that a further increase in sugar prices had been brought about mainly by the higher costs of raw cane sugar, the need to provide for recoupment of the refiners' earlier cost increases and the higher price to be paid to United Kingdom sugar beet producers from 1 January. The ex-refinery price of granulated sugar for the retail market would rise to around £285 per ton. The sugar price equalisation scheme (see p 450, 1974), which had operated since 4 November 1974, was being continued for the time being, and refiners would be enabled to introduce the new equalised price on 6 January. Department of Prices and Consumer Protection press notice, 31.12.74.

The Water Services: Economic and Financia Policies. Third Report to Secretary of State for the Environment. Department of the Environment. HMSO, 72p. ISBN 0 11 750897 7.

International Energy Program. Agreement on an International Energy Program (with Decisions of the Council of the Organisation for Economic Co-operation and Development) (see p 434, 1974). Cmnd 5826. HMSO, 34p. ISBN 0 10 158260 9.

British Firms in South Africa. Wages and Conditions of African Workers Employed by British Firms in South Africa. Government Observations on the Fifth Report from the Expenditure Committee: House of Commons Paper 116, Session 1973-74 (see pp 463-4, 1974). Cmnd 5845. HMSO, 12p. ISBN 0 10 158450 4.

International Labour Conference. Proposed action by the Government on two conventions and two recommendations adopted at the 58th (1973) session of the International Labour Conference. The conventions and recommendations deal with the social effects of new methods of cargo handling in docks (see pp 179, 355, 1974) and with the minimum age for entering employment. Cmnd 5829. HMSO, 29p. ISBN 0 10 158290 0.

Report of the Committee of Inquiry into the Dispute at Odhams (Watford) Limited. The dispute centred on the question of which of two categories of employee should in future carry out page-planning or make-up operations in the plant. Department of Employment. HMSO, 34p. ISBN 0 11 361069 6.

Report of the Chief Registrar of Friendly Societies. Lists of Trade Unions and Employers' Associations as at 31 October 1974. These lists are maintained in accordance with the Trade Union and Labour Relations Act 1974. HMSO, 36p. ISBN 0 11 600208 5.

Review Body on Top Salaries, Report No 6. Reports on the salaries of senior civil servants, senior officers in the armed forces, the judiciary and the chairmen and board members of nationalised industries and recommends substantial increases from the beginning of 1975. Cmnd 5846. HMSO, £1·75. ISBN 0 10 158460 1.

The Government is postponing decisions on the recommendations for the chairmen and board members of nationalised industries, but has decided to implement the new salary rates for the other

groups in two stages (one stage at the lowest levels). It is proposing to invite the review body in future to review these salaries annually. *Hansard*, 20.12.74, written answers, cols 643-50.

Work Research Unit. The Work Research Unit has been formed following the recommendations of the Steering Group on Job Satisfaction set up by the Department of Employment in 1973, at the time of the Wilson Report *On the Quality of Working Life* (see p 297, 1973). The group consists of representatives of the Government, Confederation of British Industry and Trades Union Congress and is now chaired by Mr John Fraser, Parliamentary Under-Secretary of State for Employment. The unit will be staffed by behavioural scientists, engineers and industrial relations experts with suitable practical experience, and will be able to provide information on how particular jobs can be redesigned to create greater satisfaction as well as helping industry and others in initiating and evaluating changes in the content of work. Firms will be encouraged to set up joint groups, where possible within the joint consultative machinery, to look at the general principles of job design and how they can be put into practice. The address of the unit is: Work Research Unit, Department of Employment, Steel House, 11 Tothill Street, London SW1H 9LN. *Hansard*, 9.12.74, written answers, cols 21-22, and Department of Employment press notice, 9.12.74.

Health and Safety at Work. The Health and Safety Commission was set up on 1 October 1974 under the Health and Safety at Work etc Act 1974 (see pp 177-9, 1974). The Health and Safety Executive, the commission's operational arm, came into operation on 1 January 1975 and will be responsible together with local authorities for enforcing statutory requirements, which will be extended with effect from 1 April 1975 to cover initially everyone at work and to further the protection of the general public from industrial hazards.

Transport Supplementary Grant. The Minister for Transport, Mr Frederick Mulley, announced on 19 December 1974, in a letter to county councils and the Greater London Council, the distribution of transport supplementary grant (TSG) in England for 1975-76 amounting to £240 million. The TSG replaces a number of specific grants for particular types of transport expenditure. Each county's allocation has been determined on the basis of its estimate of transport expenditure; estimates were submitted in July 1974 together with the counties' first transport policies and programmes. The accepted figures for most local authorities are significantly below their submissions. Department of the Environment press notice, 19.12.74.

Railways. The Government has used its powers under the Railways Act 1974 (see pp 327-8, 1974) to impose public service obligations on the British Railways Board. The Secretary of State for the Environment has directed the board to operate a railway passenger service from 1 January 1975 that is comparable generally with that provided previously. The board will be able to apply for compensation to cover those costs of operating the passenger network that cannot be met from revenue and other sources. Its claim for compensation under these powers for 1975 is £341 million. *Hansard*, 19.12.74, written answers, cols 607-8.

Railway Accidents. Report to the Secretary of State for the Environment on the Safety Record of the Railways in Great Britain during the year 1973. HMSO, 95p. ISBN 0 11 550353 6.

Highway Statistics 1973. HMSO, £1·30. ISBN 0 11 550349 8.

Road Accidents. Great Britain 1973. HMSO, £1·20. ISBN 0 11 550234 3.

Transport and Road Research Laboratory. Annual Report 1973. HMSO, £2·35. ISBN 0 11 550273 4.

Agricultural Research Council. Annual Report 1973-74. HMSO, £1·05. ISBN 0 10 020415 5.

Social Science Research Council. Annual Report 1973-74. HMSO, 71p. ISBN 0 10 217775 9.

Natural Environment Research Council. Annual Report 1973-74. HMSO, £1·50. ISBN 0 10 020445 7.

Radio and Space Research, January 1971–December 1973. The report of the Director of the Appleton Laboratory (formerly the Radio and Space Research Station; see p 528, 1973). Science Research Council. £1·25.

Centre for Overseas Pest Research. Report: January–December 1973. Centre for Overseas Pest Research, College House, Wrights Lane, London W8 5SJ. £1·30. ISBN 0 85135 069 0.

Pollution. Convention for the Prevention of Marine Pollution from Land-Based Sources (see p 285, 1974). Cmnd 5803. HMSO, 18p. ISBN 0 10 158030 4.

Shipping. Final Act of the International Conference on Marine Pollution 1973 including International Convention for the Prevention of Pollution from Ships, 1973. Protocol relating to Intervention on the High Seas in cases of Marine Pollution by Substances other than Oil, 1973 and Resolutions of the Conference (see pp 518-19, 1973). Cmnd 5748. HMSO, 91p. ISBN 0 10 157480 0.

Soviet Union. Agreement between the Government of the United Kingdom and the Government of the Union of Soviet Socialist Republics on Co-operation in the Field of Environmental Pollution (see p 266, 1974). Cmnd 5778. HMSO, 14p. ISBN 0 10 157780 X.

Social and Cultural Affairs

Population. COI, FSB/A2.

The Current Tempo of Fertility in England and Wales: Studies on Medical and Population Subjects No 27. By S. M. Farid. The report investigates recent trends in fertility in England and Wales. HMSO, £5·30. ISBN 0 11 690427 5.

Report on the Work of the Home Office Prison Department 1973, Statistical Tables. Cmnd 5814. HMSO, 63p. ISBN 0 10 158140 8.

Working Party on Vagrancy and Street Offences Working Paper. Among its recommendations the Home Office working party proposes offences to replace the archaic vagrancy laws in England and Wales. Fundamentally, it considers vagrancy to be a social rather than a criminal problem. Street offences by prostitutes and other related conduct by men are also considered. HMSO, £1·22. ISBN 0 11 340575 8.

Social Security. Convention on Social Security between the United Kingdom and Spain. Cmnd 5832. HMSO, 22p. ISBN 0 10 158320 6.

Health. Convention on the Elaboration of a European Pharmacopoeia. Cmnd 5763. HMSO, 12p. ISBN 0 10 157630 7.

Health Services in Britain. COI, R5154.

On the State of the Public Health. Annual report of the Chief Medical Officer of the Department of Health and Social Security for the year 1973. HMSO, £1·30. ISBN 0 11 320598 8.

Health and Personal Social Services Statistics for Wales, 1973. HMSO Cardiff, £2·15. ISBN 0 11 790046 X.

Social Work in Scotland in 1973. Scottish Education Department. Cmnd 5795. HMSO, 33p. ISBN 0 10 157950 0.

Statistics of Education, England and Wales 1973: Vol I Schools. HMSO, £3. ISBN 0 11 270342 9.

Schools Council Report 1973-74. Evans-Methuen Educational. 70p. ISBN 0 423 89680 6.

Children in Care in England and Wales March, 1973. Cmnd 5815. HMSO, 24p. ISBN 0 10 158150 5.

Housing Co-operatives. A working party under the chairmanship of Mr Harold Campbell has been set up to report 'on ways in which the Government, local government, housing associations and other bodies can sponsor the formation of housing co-operatives and co-operative management schemes, enabling tenants to participate collectively in decisions which affect them and to have a financial stake in the ownership of their homes'. The working party includes representatives of the Housing Corporation, the local authority associations, and the housing association movement. Department of the Environment press notice, 11.12.74.

Commercial Property Development. An advisory group under the chairmanship of Sir Dennis Pilcher is to be set up by the Department of the Environment 'to examine the arrangements for carrying out development of commercial property and the part played by investors, developers, and local authorities'. Department of the Environment press notice, 20.12.74.

The Arts and Museums 1972-73. An Arts Council survey of local authority spending. Available from the Publications Office, The Arts Council of Great Britain, 105 Piccadilly, London W1V 0AU. £1.

The Royal Scottish Museum Triennial Report 1971-73. HMSO Edinburgh, £1·75.

INDEX

January 1975

Arab-Israel relations, 16

Arts, developments, 34

British Council, 36

Commonwealth Medical Conference, 38

European Community, 8

Government and industry, 23

Industrial relations, 27

Legislation, recent, 7

North Atlantic Treaty Organisation, 13

Northern Ireland, 3

Parliamentary developments, 6

Pollution, environmental, 30

Population census in 1976, 33

Saudi Arabia: Chancellor's visit, 18

Shorter notes, 19

Social trends, 33

World Food Conference, 21

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